



LED STRATEGY

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Nquthu Local Municipality
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1 INTRODUCTION

1.1 PROJECT BACKGROUND

The Nquthu LM LED Strategy compiled in 2007. In view of the requirements for local government, which is to have a credible LED strategy in place, the current draft is too old and needed to be reviewed or developed to reflect the most recent local and regional development dynamics. It is under this premise that the municipality commissioned NGOME Economic Development & Investments to Review the LED strategy.

The overall objective of the project is to design an LED Strategy that will amongst others, incorporate a chapter on investment plan, agricultural strategy and an implementation plan. The strategy should:

- Identify economic development needs;
- Identify opportunities and competitive / comparative advantages of Nquthu Municipality;
- Inform and guide the municipality to facilitate development;
- Facilitate job creation within Nquthu;
- Promote the creation and growth of small enterprises;
- Foster productive economic linkages between Nquthu and the wider regional economy;
- Enhance the stability and growth prospects of Nquthu and surrounding economy; and
- Promote inward investment.

1.2 SCOPE OF WORK

The TOR point out the following as project scope:

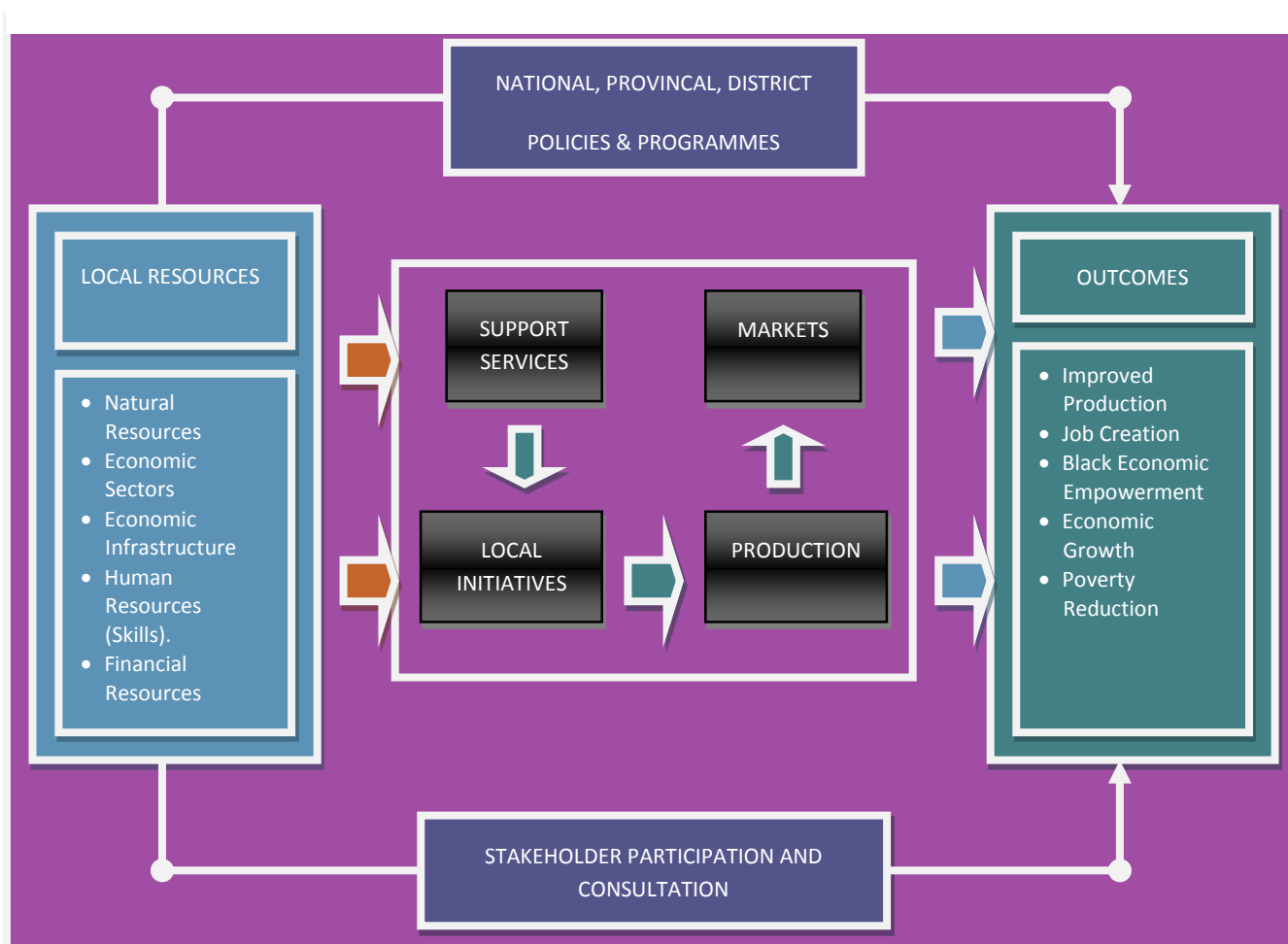
1. Project Inception: To establish a Project Steering Committee (PSC) in the Nquthu area that will comprise all interested stakeholders and a detailed inception report noting overall approach, methodology, detailed activities, timeframes and associated resource;
2. Situational Analysis: That will include amongst others policy review, analysis on demographics, social and economic characteristics / trends, weaknesses of the main economic sectors, as well as the opportunities that exist with regards to further development of these sectors;
3. Strategic Framework: That identifies means for the municipality to unlock the economic development potential within its jurisdiction. This phase should focus on the identification of tools and strategies that should be adopted by the municipality in order to create an enabling environment for local economic development, based on the challenges and economic opportunities identified in the situational analysis. This phase should also set out the key economic development projects that should be explored by the Local Municipality;
4. Monitoring & Evaluation Framework: That will assess and manage the achievement of the strategic targets over the short and medium term. This framework should be based on targets interpreted in terms of key performance indicators (KPIs);
5. Implementation Strategy consisting of functional programmes and projects. This phase should include the prioritisation of projects, and preparation of project specific business/action plans

for those identified projects, as well as an investigation of the information needs of potential funders/financiers.

1.3 PROJECT APPROACH

The approach for this assignment will be outcome based. This refers essentially to a focus on developing a strategy that is geared towards achieving pre-identified outcomes. In other words, the end justifies the means. Assuming that some of the intended outcomes are improved production, job creation, black economic empowerment, economic serve as growth and poverty alleviation, it thus becomes important to identify the local resources and competitive advantages that can support initiatives to achieve such outcomes. **Figure 1** below illustrates this diagrammatically.

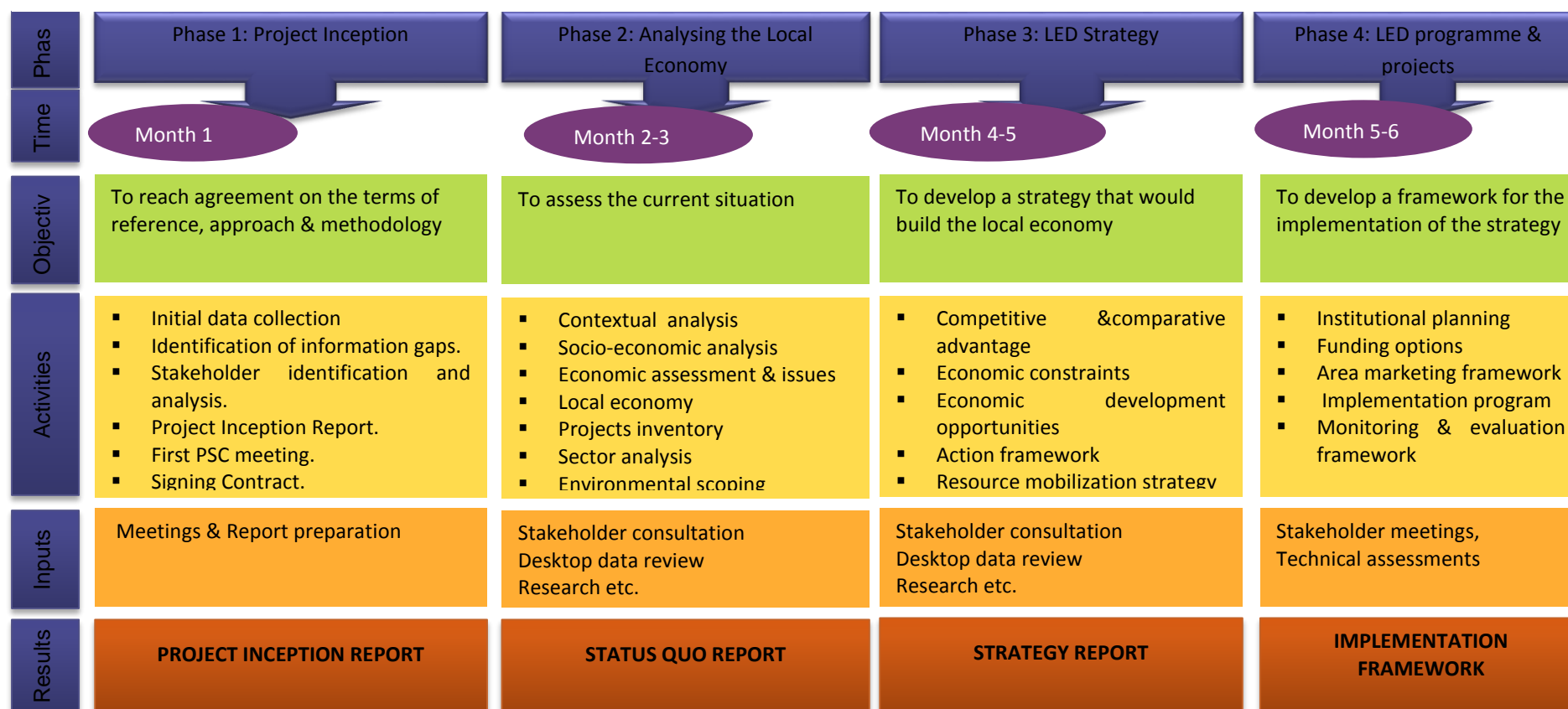
Figure 1: Outcome Based Approach



1.4 PROJECT METHODOLOGY

The LED Strategy is a synthesis of information gathered from primary and secondary data. The information is from different sources including but not limited to stakeholder interviews, focussed sessions, site visits, and review of secondary data. The methodology that is adopted by this strategy is presented by the **figure 2** below.

Figure 2: Project Methodology



1.5 SCOPE OF NQUTHU LED REPORT

The LED Plan will outline a LED program, design appropriate institutional arrangements to guide its implementation and provide a framework for budgeting. It will present a shared vision for the future economic development of the area while also serving as a strategic guide for rational decision-making, coordinated budgeting and integrated development.

This Nquthu LM LED agenda will focus mainly on the following as a means to promote local economic development:

- Provision of infrastructure and quality and reliable services;
- Facilitating the development of key economic sectors;
- Providing support to emerging business;
- Coordinating local, district and regional economic development; and
- Promoting and marketing the municipality for investment.

As a programme, LED intends to maximize the economic potential of the municipality and, to enhance the resilience of the macro-economic growth through increased local economic growth, employment creation and development initiatives within the context of sustainable development. As such, the need for an LED Plan within a municipality goes beyond meeting the constitutional and legal obligations, and encompasses the practical implementation of programmes designed to create an environment conducive to economic development, economic transformation and social upliftment.

However, Nquthu Local Municipality forms part of a bigger spatial and economic system in the form of uMzinyathi District. Regional cooperation is one of the key factors for an effective LED programme. This implies a need for Nquthu Municipality to integrate its LED initiatives with projects and programs being implemented within the district and the neighbouring municipalities.

1.6 NQUTHU MUNICIPALITY CONTEXT

Nquthu Local Municipality is one of the four (4) local municipalities that make up uMzinyathi District. The other family municipalities are:

- uMvoti LM;
- Endumeni LM;
- Msinga LM

Figure 3: uMzinyathi District Municipalities



Source: Local Government Website

Nquthu Municipality is an administrative area in the uMzinyathi District of KwaZulu-Natal. The municipality is located along the north-eastern boundary of the district. It borders onto Endumeni, eMadlangeni, AbaQulusi, Ulundi, Nkandla and Msinga Local Municipalities. It is predominantly rural in nature, with expansive rural settlements being one of the major features. It is mainly accessed through

the R68 linking Ulundi to Newcastle/Dundee. Other important roads through the municipality are the R33, passing through the northern areas, passing east of Nondweni before linking Vryheid with the R68. A gravel road links Nquthu with Kranskop.

The municipality has an area of 1 962km² with a population of 165 307 people and 31 612 households. The population is distributed throughout the Municipality, although the southern areas are less densely populated due to the topography. Nquthu is made up of nine (9) Traditional Councils namely Sizamile, Jama, Khiphinkunzi, Emandleni, Mbokodebomvu, Vulindlela, Mangwe-Buthanani, Molefe and KwaZondi.

The settlement pattern of Nquthu is largely dispersed rural settlements, with two urban centres of Nquthu town and Nondweni. Nquthu Town and Nondweni are the most popular in the area. Nquthu Town is a small but stable urban area that has established itself as the primary commercial, administrative and service centre for the municipality as a whole.

1.7 STRUCTURE OF THE REPORT

This LED Report is divided into seven (7) section as follows:

Section 1: Presents the project background and scope of work. The section then explains the the approach and methodology that was followed to develop the report. The methodology entailed primary and secondary data. It should be noted that the report was very consultative as a number of interviews and discussions were done with several stakeholders in Nquthu.

Section 2: This part of the report presents a snapshot of key national, provincial and local policies that are of relevance to the LED Strategy. The section then concludes with the implication of each policy to the LED Strategy.

Section 3: Presents the population dynamics. This entails analysis on demographics (population & growth patterns, age structure, sex ratio, dependency ratio and households), Socio-economic (education, unemployment & individual and household income levels), living conditions (access to basic services) and spatial structure (settlement, land use & movement patterns and land ownership)

Section 4: Interrogates the economy of uMzinyathi District. Here the report reflects the kind of sectors that contribute to the District GVA and employment.

Section 5: Presents an in-depth analysis of the sectors of Nquthu in terms of its contribution to both the municipal GVA and employment opportunities. The section goes further and unpacks on where the sectors are concentrated in the municipal area. Each sector analysis is then concluded with a competitiveness assessment using Porter's Model.

Section 6: Presents special projects that were identified by COGTA that have potential to change the economic landscape of Nquthu;

Section 7: Highlights summarizes the investment opportunities as revealed in situational analysis.

Section 8: Looks at the various institutional structures that are key and participate in the LED. Here the report highlights the functions of institutions, their challenges and areas that need improvement.

Section 9: Presents a synopsis of key development issues that emerged from the analysis. It is these issues that the municipality is expected to keenly look into in order to unlock the municipal economic potential

Section 10: Reflects the strategic framework that will guide the municipality to turn around the municipal economy

Section 11: Summarizes the strategies, strategic programmes and projects that need to be implemented.

Section 12: Provides an implementation plan that reflect what is to be done by who, how and when to be done.

Section 13: Presents a monitoring and evaluation framework that the municipality can use to measure whether they are achieving the targets set or not. The tool offers the municipality means of verification that it can use to measure the progress of implementation.

2 POLICY REVIEW

This section of the report pertains to the policies that shape the economy of Nquthu. Nquthu LM is subject to influence of policy development at all government levels. These policies are shaped by amongst others global, national and provincial economic trends. As one of the key implementing agents of the government, Nquthu LM is subject to adhere to these policies by aligning its programmes and projects to achieve the desired goals of these policies. The following is a discussion of some of the key national, provincial and local policies that are of relevance to the LED Strategy.

2.1 NATIONAL POLICY FRAMEWORK

2.1.1 National Development Plan (NDP)

The NDP 2030 Vision spells out the following key development areas, which require focus:

- Creating jobs and livelihoods;
- Expanding infrastructure;
- Transition to a low-carbon economy;
- Transform urban and rural spaces;
- Improving education and training;
- Providing quality health care;
- Building a capable state;
- Fighting corruption and enhancing accountability;
- Transforming society and uniting the nation.

2.1.1.1 Implication of NDP to Nquthu LED

The policy gives Nquthu Municipality a framework to set its own target in terms of poverty alleviation, job creation and inequality reduction. The municipality is also provided with a foundation to generate LED projects that are geared towards addressing the aforementioned NDP key development areas which is not only a compliance issue but addresses the socioeconomic wellbeing of the Nquthu society.

2.1.2 New Growth Path (NGP)

The emphasis of New Growth Path is to address unemployment, inequality and poverty. The policy is principally reliant on creating a significant increase in the number of new jobs in the economy, mainly in the private sector. The New Growth Path sets a target of creating five million jobs by 2020. This target is projected to reduce unemployment from 25% to 15%. The government acknowledges that this employment target can only be achieved if the social partners and government work together to address key structural challenges in the economy.

The government will focus on unlocking the employment potential in the following six key sectors:

- 1) Infrastructure, through the massive expansion of transport, energy, water, communications capacity and housing, underpinned by a strong focus on domestic industry to supply the components for the build-programmes;
- 2) The agricultural value chain, with a focus on expanding farm-output and employment and increasing the agri-processing sector;
- 3) The mining value chain, with a particular emphasis on mineral beneficiation as well as on increasing the rate of minerals extraction;
- 4) The green economy, with programmes in green energy, component manufacture and services;
- 5) Manufacturing sectors in IPAP2 and;
- 6) Tourism and certain high-level services

2.1.2.1 Implication of NGP to Nquthu LED

The NDP provides Nquthu LM with guidelines that allow incorporation of programmes and projects focused on key critical development areas / sectors such as agriculture, mining, manufacturing and green economy, and the improvement of bulk infrastructures in the municipal area.

2.1.3 Strategic Infrastructure Programme (SIP)

The government recently adopted an infrastructure plan that is to reshape the infrastructure landscape of South Africa. The infrastructure development focuses on provision of basic services and economic support infrastructure such as water, sanitation, logistics, electricity and other sources of energy. The plan goes beyond the provision of the basic infrastructure services that affect the South African population but integrate the economies of Africa through the improvement and construction of road, railway network and sea ports. The plan sets out 18 strategic programmes that the Presidential Infrastructure Coordinating Commission (PICC) Team is integrating and coordinating the infrastructure build. These infrastructure programmes are to be rolled out in strategic areas within the South African borders.

2.1.3.1 Implication of SIP to Nquthu LED

Among all the 11 SIPs, SIP 11 (Agri-logistics and rural infrastructure) focuses on improving investment in agricultural and rural infrastructure that supports expansion of production and employment, small-scale farming and rural development, including facilities for storage (silos, fresh-produce facilities, packing houses); transport links to main networks (rural roads, branch train-line, ports), fencing of farms, irrigation schemes to poor areas, improved R&D on rural issues (including expansion of agricultural colleges), processing facilities (abattoirs, dairy infrastructure), aquaculture incubation schemes and rural tourism infrastructure. The Municipality should take advantage of this programme given that the municipality is rural and agriculture is the potential sector that can drive the municipality to economic prosperity.

2.1.4 Industrial Policy Action Plan

The Industrial Policy Action Plan (IPAP) was introduced as an overarching approach to industrial development, and is essentially a means to:

- Facilitate diversification beyond the current reliance on traditional commodities and non-tradable services;
- Facilitate the long-term intensification of South Africa's industrialisation process and movement towards a knowledge economy;
- Promote a more labour-absorbing industrialisation path with a particular emphasis on tradable labour-absorbing goods and services and economic linkages that catalyse employment creation;
- Promote a broader-based industrialisation path characterised by the increased participation of historically disadvantaged people and marginalised regions in the mainstream of the industrial economy; and
- Contribute to industrial development on the African continent, with a strong emphasis on building its productive capacity.

The key sectors of this programme are clustered into three (3) areas, with a key action programme developed for each sector. Clusters 1 and 2 are the most relevant for the Nquthu Local Municipality.

- Cluster 1 relates to new areas of focus such as 'green' and energy-saving industries, and agro-processing linked to food security.
- Cluster 2 is intended to broaden interventions in existing IPAP sectors such as automotive, pharmaceuticals and chemicals, clothing and textiles, bio-fuels and forestry, paper, pulp and furniture. It also seeks to strengthen linkages between traditional industries and tourism.

2.1.4.1 Implication of IPAP to Nquthu LED

Nquthu does not have a manufacturing base but can promote agro-processing given its potential in its agriculture sector. The municipality can also align to the policy by:

- Facilitating financing for the expansion of real economic sectors;
- Leveraging both public and private procurement; and
- Aligning skills towards sectoral priorities and industry demand

2.1.5 National Tourism Sector Strategy (NTSS)

The strategy seeks to reposition South Africa to the top 20 tourist destinations in the world by 2020, and it outlines the following strategic framework for a progressive shift towards this goal:

- Growing the tourism industry and improving its contribution to the national economy;
- Enhancing both local and international visitor experience;
- Promoting sustainable tourism and good governance across spheres of government.

The NTSS allocates functions such as development of tourism attractions, tourism infrastructure support and the general maintenance of the environment. It also requires local government to facilitate the establishment of duly accredited Local Tourism Boards as stakeholder representative structures.

2.1.5.1 Implication of NTSS to Nquthu LED

The NTSS lays a framework for the municipality to promote tourism in its area of jurisdiction. It encourages municipality to provide infrastructure that support tourism and facilitate the development of tourism. There are renowned historical sites and an array of tourism products that the municipality can enhance. The improvement or development of the tourism sector can improve job creation and economic growth of Nquthu.

2.1.6 The National Framework for LED

The framework outlines the following as the primary areas of focus for municipalities in facilitating LED:

- Provision of infrastructure and quality and reliable services;
- Managing spatial policies;
- Land-use regulation and development applications;
- Managing service tariff policies;
- Managing a progressive property tax system;
- Marketing the territory

2.1.6.1 Implication of National Framework for LED

The framework directs Nquthu to offer quality infrastructure, encourages it to provide good land use regulations, service tariffs and progressive property tax systems which are all key components to economic growth and development of Nquthu Municipality. The municipality is therefore expected to develop an LED Strategy that enhances the aforementioned key areas.

2.2 PROVINCIAL POLICY FRAMEWORK

2.2.1 Provincial Growth and Development Strategy (PGDS)

The KZN PGDS which is aligned to the NDP sets out short and medium term programmes and projects for the province that are geared towards the attainment of the vision 2030. The strategy summed up the attainment of the vision through seven (7) goals and thirty (30) strategic objectives.

2.2.1.1 Implication of PGDS to Nquthu LED

The reviewed Nquthu LED strategy should integrate the principles and strategic goals outlined within the PGDS, and tailor them to the local context. By doing so, the LED Strategy will not just be a tool for coordinating development locally, but also a means for the practical implementation of government's economic development programmes. The achievement of the PGDS objectives and goals however, depends on the nature and extent of collaboration and partnership between the various LED Stakeholders.

2.2.2 Provincial Growth and Development Plan (PGDP)

The Provincial Growth and Development Plan (PGDP) provides for the implementation of the Provincial Growth and Development Strategy (PDGS). It outlines activities to be undertaken towards the attainment of each of the strategic goals and objectives. Therefore it clearly stipulates indicators and targets, strategic interventions and catalytic projects in support of the interventions. The aim of the PGDP is therefore to translate the strategy into a detailed implementation plan, inclusive of a detailed activity level framework with targets and responsibilities assigned to the appropriate government department.

In addition to the more detailed focus on the interventions identified, the PGDP proposes specific milestones/targets that will have to be achieved in priority sectors. It proposes indicators by which to measure success in achieving the goals and objectives of the PGDP and in doing this, also proposes how the growth trajectory could be shaped with targets to the year 2020 and 2030.

2.2.2.1 Implication of PGDS to Nquthu LED

The LED should generate projects / programmes aligned to the goals and objectives of the PDGS. The LED Strategy should also set targets that can be translated into indicators to measure achievements of the LED Strategy towards the PGDS goals and objectives.

2.2.3 KZN Investment Strategy (KIS)

The KZN Investment Strategy was introduced with the aim of attracting foreign and domestic investors to the province. The objective of the strategy is to create a conducive environment that can allow the private and public sectors work together in investing in productive industries thereby promoting the provincial economy and job creation. The key areas of focus of the strategy are:

- Improving structures and systems of investment promotion and facilitation, and working together;
- Attracting investment to meet job targets;
- Channelling resources to where they have the greatest impact (i.e. foreign countries, geographic areas, economic sectors);
- Ensuring that competitive advantages are utilised to the fullest and building on these;
- Alignment and integration with national, provincial and local policies, strategies and programmes (incl. Richards Bay IDZ, DTP);
- Maximisation of job creation and retention through business retention & expansion;
- Gaining optimal benefit from incentives such as DTI sector-based Incentives and service & utility incentives;
- Public sector investment into infrastructure to lead the private sector (incl. rural and small towns).

2.2.3.1 Implication of KZN Investment Strategy to Nquthu LED

The Provincial Investment Strategy gives direction on how municipalities can participate in attracting investment in the province. The Nquthu LED Strategy should therefore facilitate attraction of investment in Nquthu. The strategy can do this by:

- Making firm suggestions on improving the business environment in Nquthu;
- Seeking to improve coordination between key stakeholders who are required to work together to promote and facilitate investment;
- Identifying key sectors and focus areas for inward investment (based on comparative advantages); and
- Promoting the sharing and development of research and information.

2.2.4 KZN Export Strategy (KES)

The KZN Export Strategy was undertaken to identify the major challenges facing the province in terms export promotion and present implementable solutions to these challenges. In response to this, the Strategy presents five key programmes:

- Programme No. 1: Enhancing the Export Climate and Competiveness;
- Programme No. 2: Improving Market Penetration;
- Programme No. 3: Exporter Development;
- Programme No. 4: Export Promotion;
- Programme No. 5: Export Strategy Performance Measurement, Management & Review

2.2.4.1 Implication of KZN Export Strategy to Nquthu LED

The municipality can achieve the objectives and goals of the strategies by:

- Ensuring there is a conducive business environment (minimise red-tape);
- Provision of the required bulk infrastructure;
- Efficient road and rail network;

- SMME and business development;
- Skills development and training;
- Promotion and facilitation of local exporters.

2.2.5 KZN Small Enterprise Development Strategy (KSEDS)

The KZN Small Enterprise Development Strategy (KSEDS) was developed to provide a framework for coordinating, orientating and guiding all small enterprise development programmes and related activities in the province of KwaZulu-Natal. The key objective of the strategy are as follows:

- Developing entrepreneurship skills;
- Facilitating easy access to local and international markets;
- Facilitating access to finance;
- Providing relevant and effective training to small enterprise operators; and
- Facilitating a mentoring and incubation programme for all small enterprises in KZN

2.2.5.1 Implication of KSEDS to Nquthu LED

The strategy offers a platform for the municipality to thrive towards growing its SMMEs. The LED Strategy is expected to generate precise interventions that enhance the growth and development of SMMEs in the municipal area.

2.3 UMZINYATHI DISTRICT POLICY FRAMEWORK

2.3.1 UMzinyathi Local Economic Development Strategy

uMzinyathi District Municipality developed its LED Strategy in 2008/2009 and reviewed it in 2013/14. The primary aims and objectives of the LED strategy are:

- To provide facilitation for partnership initiatives that exploit the district's competitive advantage;
- To develop a practical and implementable LED Strategy and Programme for the District; and
- To provide institutional support to the District and local LED units within the municipalities and to strengthen networking and co-ordination between local government, business chambers and sector business networks through a process of mentorship and support for institutional development.

To get the economy rolling, the District Municipality established or intends to establish the following:

- Economic Development Agency;
- Establish Economic services Zones (to create a vibrant economy);

The district further intends to support implementation of the following programmes:

- Agricultural development and diversification;
- Tourism Development;

- Infrastructure Development;
- Mining Development;
- SMME development;
- Skills Development (establishment of small business support centres in partnership with SEDA and other institutions)

2.3.1.1 Implications of UDM LED Strategy to Nquthu LED

Nquthu Municipality has a role to play in the District's economy. The municipality has some of the key sectors that the District LED is pursuing. The LED should therefore consider programmes that are aligned to the District LED Strategy (i.e. tourism, infrastructure, SMME Development and agriculture projects).

2.3.2 UMzinyathi Spatial Development Framework

The District SDF points out the following as the fundamental purpose of the SDF:

- To improve the physical environment of the community as a setting for human activities-to make it more functional, beautiful, decent, healthful, interesting, and efficient;
- To promote the public interest, the interest of the community at large, rather than the interests of individuals or special groups within the community;
- To facilitate the democratic determination and implementation of community policies on physical development;
- To effect political and technical coordination in community development; and
- To inject long-range considerations into the determination of short-range actions.

2.3.2.1 Implication of UDM SDF to Nquthu LED

The municipal LED will consider the fundamental purposes of the District SDF when proposing the LED Strategic Programmes

2.4 NQUTHU LOCAL MUNICIPALITY POLICY CONTEXT

2.4.1 Nquthu Integrated Development Plan

The IDP provides for the local implementation of the national and provincial development initiatives as outlined in the National Development Plan and the Provincial Growth and Development Strategy. It also presents a short to medium term strategic agenda and a detailed five year programme commencing in 2012/2013 financial year and ending in 2016/2017 financial year. The IDP identifies LED as a one of the 6 key performance areas. The LED plan should therefore be aligned and take into account the strategies and objectives of the IDP. These include the following:

- Job creation through linkage to policies, implementation of supply chain management, expanded public works programme implementation/labour intensive;
- Local Economic Development through targeted investment programme including policy, diversification of value add products, marketing, support to structures to support SMMEs and co-operatives;
- The implementation of an integrated crime-prevention strategy, to ensure lessening crime;
- Open access to land as a catalyst for BBBEE (Broad Based Black Economic Empowerment);
- Recognizing the role of tourism in the economy through broadening product development and marketing; and
- Recognizing the necessity of infrastructure to support tourism, and the services, which treble during season needs to be accommodated.

2.4.1.1 Implication of IDP to Nquthu LED

The IDP incorporates all sector plans into its effective planning for the area. As such, this Local Economic Development (LED) Plan forms one of the sector plans, which will serve to inform the IDP.

2.4.2 Nquthu Spatial Development Framework

The Nquthu Spatial Development Framework (SDF) forms part of the spatial component of the IDP and therefore its preparation is directly aligned to the IDP. It is considered the overarching strategic spatial planning tool that gives guidance towards a desired future spatial state. It is a process through which the municipality prepares a medium to long term strategic spatial development plan for the municipality's area of jurisdiction. Within the Nquthu SDF are spatial strategies and objectives that intend to improve the spatial form and quality of the municipal area. This planning instrument informs land use management and the spatial decision making process within Nquthu. It is fundamentally a spatial representation or spatial expression of the development vision, objectives and strategies outlined within the IDP.

2.4.2.1 Implication of SDF to Nquthu LED

The SDF commits Nquthu Municipality to ensure that all members of the community are presented with the maximum opportunity for growth and development. It further emphasizes effective and efficient management of various resources within the municipal area, which is embedded upon principles of spatial sustainability, spatial efficiency and spatial equity. The LED will consider these aspects of development in pursuit of achieving alignment with the SDF.

3 POPULATION DYNAMICS

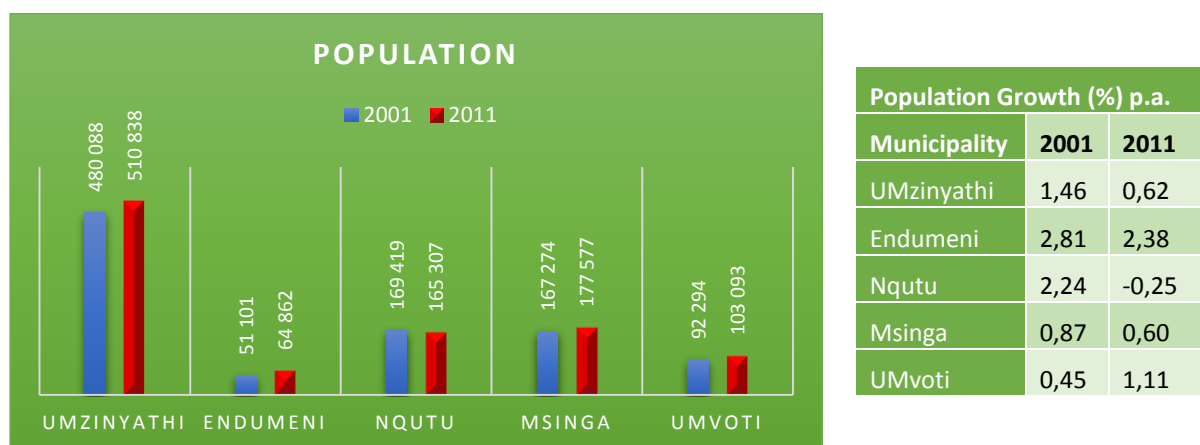
The socio-economic conditions of the population of Nquthu is pivotal to the economic growth and development of the municipal area. The community is the source of labor and consumers of production, they infuse demand and supply of goods and services. It is thus critically important to base the LED Strategy on a clear knowledge of the current socio-economic dynamics. The following section analysis the socio-economic conditions of Nquthu.

3.1 DEMOGRAPHIC PROFILE

3.1.1 Population and Growth Patterns

Nquthu population declined to 165 307 from 169 419 between the year 2001 and 2011 recording a negative growth of 0.25%. The decline of the population in Nquthu is caused by amongst other people relocating to neighbouring municipalities such as Endumeni in such of greener pastures and better living condition. Unlike Nquthu, all the family local municipalities experienced growth in their population over the same period with Msinga being the most populous at 177 577, uMvoti 103 093 and Endumeni 64 862 recording a 0.60%, 1.11% and 2.38% growth per annum. Endumeni Municipality experienced the highest growth per annum indicating an inward migration from the neighbouring Nquthu Municipality.

Figure 4: Population



Source: StatSA, Census 2011

3.1.2 Age Structure

Majority (52.5%) of the population in Nquthu Municipal area falls within the 15-64 age cohorts which comprise of both employed and unemployed people. Approximately 42.4% are below the age of 15 years whereas, only 5.1% are above the age of 65 years. The KZN Province and almost the entire country has generally experienced an increased in the 15-64 years age bracket.

The population of these two age brackets (i.e. 15-64 and <15) is quite significant in Nquthu and has major economic implications. The 15-64 years age cohort exerts pressure on the municipality to tailor programmes that will offer employment opportunities. Whereas, the <15 years age bracket demands the municipality to offer basic services (e.g. schools, health facilities, etc.) that are of necessity to this age cohort.

Figure 5: Age Structure

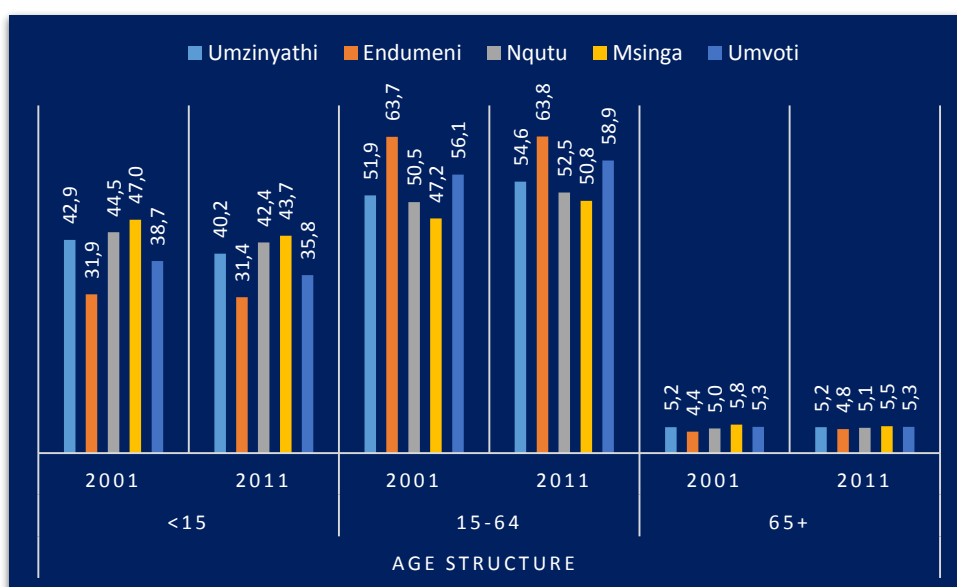


Table 1: Age Structure

Age Structure						
	<15		15-64		65+	
	2001	2011	2001	2011	2001	2011
UMzinyathi	42,9	40,2	51,9	54,6	5,2	5,2
Endumeni	31,9	31,4	63,7	63,8	4,4	4,8
Nqutu	44,5	42,4	50,5	52,5	5,0	5,1
Msinga	47,0	43,7	47,2	50,8	5,8	5,5
UMvoti	38,7	35,8	56,1	58,9	5,3	5,3
KZN	34,9	31,9	60,4	63,1	4,7	4,9
S. Africa	32,1	29,2	63,0	65,5	4,9	5,3

Source: StatSA, Census 2011

3.1.3 Sex Ratio

There are more females than males in Nquthu. This trend has been experienced in the district and the country at large. In Nquthu, the ratio of males to females slightly increased from 80.7 in 2001 to 83.4 in 2011 in every 100 females. This translates to approximately 55% of the population to be female and 45% males. In other words, many households in Nquthu are female headed as males migrate to areas such as Endumeni and eThekweni in search for employment opportunities and better living standards.

Census 2011 revealed that approximately 60.1% of the households in Nquthu are female headed surpassing Endumeni 42.3% and uMvoti 57.6%. However, Msinga has many female headed households (66.7%) compared to its family municipalities. The current situation exerts pressure on Nquthu Municipality to provide services that are relevant to the female population. Likewise, the municipality is expected to facilitate economic development that can also benefit the female population.

Table 2: Sex Ratio

Males per 100 females		
	2001	2011
Endumeni	96,5	95,2
Nquthu	80,7	83,4
Msinga	71,8	76,8
uMvoti	79,1	79,3

Female Headed Households		
	2001	2011
Endumeni	40.1%	42.3%
Nquthu	60.6%	60.1%
Msinga	68.9%	66.7%
uMvoti	57.8%	57.6%

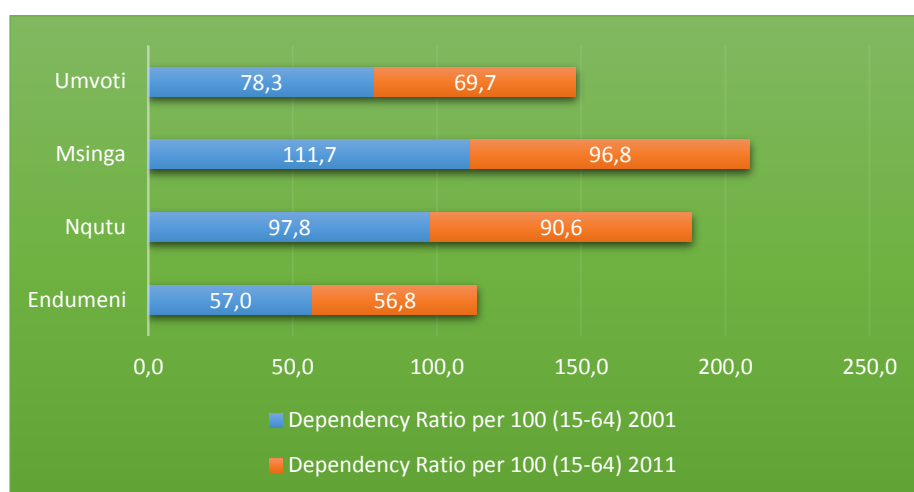
Source: StatSA, Census 2011

3.1.4 Dependency Ratio

Dependency ratio defines the number of dependents (i.e. people under the age of 15 and over the age of 65 years) per 100. The dependency ratio in Nquthu is standing at staggering 90.6%, which is higher compared to Endumeni 57% and uMvoti 69.7%. Msinga has the highest dependency ratio (96.8%) in the district. The high dependency ratio in Nquthu and Msinga is attributed by its rural settings which offers little economic opportunities to its population.

The high dependency ratio is a challenge to guardians who in many instances are unemployed particularly in rural parts of Nquthu. The situation therefore dictates the municipality to facilitate economic development in the municipal area to curb down the high dependency ratio.

Figure 6: Dependency Ratio



Source: StatSA, Census 2011

3.1.5 Households

The number of households in Nquthu increased from 29 417 in 2001 to 31 612 in 2011. Msinga Municipality has the highest number of households in the district followed by Nquthu Municipality. The households in Nquthu are unevenly distributed amongst the 17 wards with wards 14, 1, 11, 15 and 10 being the most populated wards. Majority of the households are scarcely dispersed in the rural parts of the municipality making it difficult and expensive for the municipality to provide the basic services and meaningful economic opportunities. Economic opportunities are mainly found in Nquthu Town and somewhat in Nondweni.

Municipality	Number of Households	
	2001	2011
UMzinyathi	93 733	113 469
Endumeni	12 278	16 851
Nquthu	29 417	31 612
Msinga	32 369	37 724
uMvoti	19 669	27 282

To improve the lifestyles of Nquthu it is important that the municipality identify LED opportunities and package them into sustainable economic development initiatives. Focus should be directed to areas with high population concentration and rural areas.

3.2 SOCIO-ECONOMIC PROFILE

3.2.1 Education Level

The level of education has generally improved in Nquthu. The number of people with no schooling declined from 38.8% in 2001 to 18% in 2011. The number of matric graduates increased from 11.9% to 20.2%, and primary education enrolment increased from 88.3% to 93.5% in the same period. However, the number of people with higher education declined from 2.1% to 1.7% and this is attributed to amongst other lack of funding to pursue further learning or an outward migration of educated people in search of better living conditions in other municipalities.

Even though the level of education has generally improved, majority of the population has lower level of education. A continuation of this trend undermines the growth of the economy of Nquthu as it accumulates unskilled labor in the labor market. Efforts should be geared towards improving the level of education in the municipality. The municipality could intervene by facilitating training of unskilled labor and promoting human resource development in the workplace.

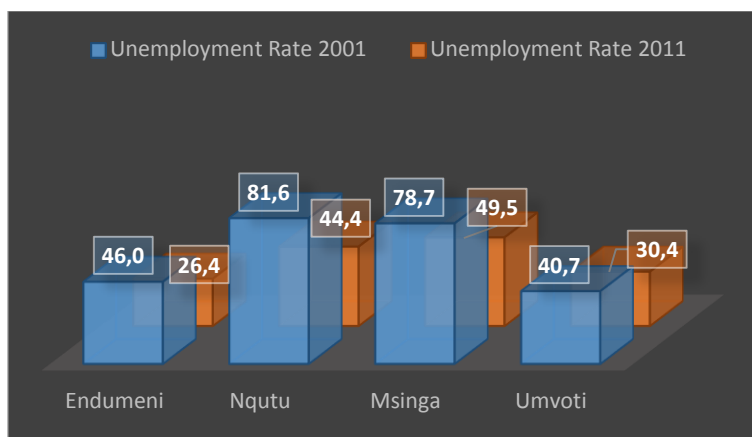
Table 3: Level of Education

	No Schooling		Higher Education		Matric		Primary Educational Enrolment aged 6-13	
	2001	2011	2001	2011	2001	2011	2001	2011
uMzinyathi	44,4	25,3	3,6	2,3	12,0	21,2	85,2	92,0
Endumeni	15,0	6,7	7,5	4,6	23,3	30,8	90,0	88,3
Nqutu	38,8	18,0	2,1	1,7	11,9	20,2	88,3	93,5
Msinga	67,9	40,9	2,4	1,5	6,8	16,9	80,8	92,7
uMvoti	37,4	25,9	5,1	2,8	12,6	22,2	86,1	89,9
KZN	21,9	10,6	6,9	4,8	21,6	30,4	89,4	90,3
South Africa	17,9	8,4	8,4	6,7	22,1	27,8	91,0	93,1

Source: StatSA, Census 2011

3.2.2 Unemployment

Nquthu experienced an encouraging decrease in unemployment level between 2001 and 2011 compared to any other municipality in uMzinyathi. The unemployment rate was reduced to almost half as Census 2011 shows that the level of unemployment declined to 44.4% from 81.6%. The trend could be attributed to the development of the commercial centre in Nquthu Town which has created employment opportunities and enticed other economic activities in the SMME and Informal trading sectors.



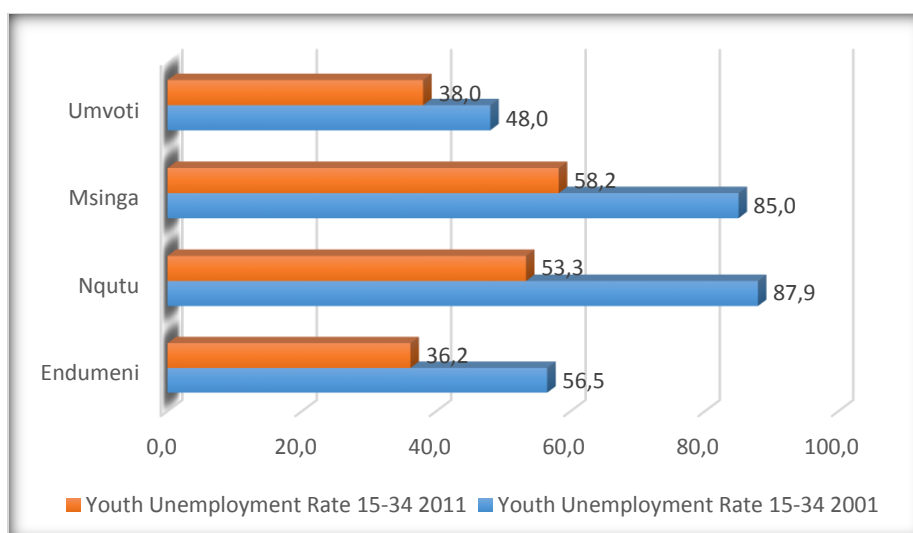
Source: StatSA, Census 2011

3.2.3 Youth Unemployment Rate

The level of unemployment amongst the youth was at staggering 87.9% in 2001 but declined 53.3% in 2011. Besides Msinga Municipality (58.2%), Endumeni and uMvoti have the lowest youth unemployment recording 36.2% and 38% unemployed youth in 2011 respectively. The youth are an important component of the population as they provide the energetic labor force and could also be a source of instability particularly if they are idle / unemployed. Unemployed youth are vulnerable to social evils such as drug use / abuse, robbery / crime, prostitution or alcohol abuse.

Emphasis needs to be geared towards economic development programmes or initiatives that will offer the youth employment opportunities.

Figure 7: Youth Unemployment Rate



Source: StatSA, Census 2011

3.2.4 Employment Status of Household Heads

Approximately 16% (5 030) household heads in Nquthu Municipality are employed, 7% (2 313) are unemployed and 11% (3 501) are discouraged to seek employment. A considerable number of household heads (23 509) are not economically active. In other words approximately 66% of the household heads in Nquthu are not working / not seeking work or not available. These type of household heads are either disabled who cannot work, retired people and others who cannot work for one reason or the other. Approximately 140 households are headed by children of less than 15 years.

The status of household is typical of rural municipalities where there are fewer employment opportunities to absorb household heads in the labour market. The municipality should initiate LED programmes that can address unemployment levels in the municipal area. The number of household heads that are economically inactive is alarming and focus should be directed towards provision of their needs.

Table 4: Household Head

	uMzinyathi	Endumeni	Nqutu	Msinga	uMvoti
Employed	29 135	8 700	5 030	4 840	10 565
Unemployed	8 626	1 536	2 074	2 703	2 313
Discouraged work-seeker	11 859	577	3 501	6 413	1 368
Not economically active	63 290	5 997	20 869	23 509	12 915
Age less than 15 years	557	42	140	258	117

Source: StatSA, Census 2011

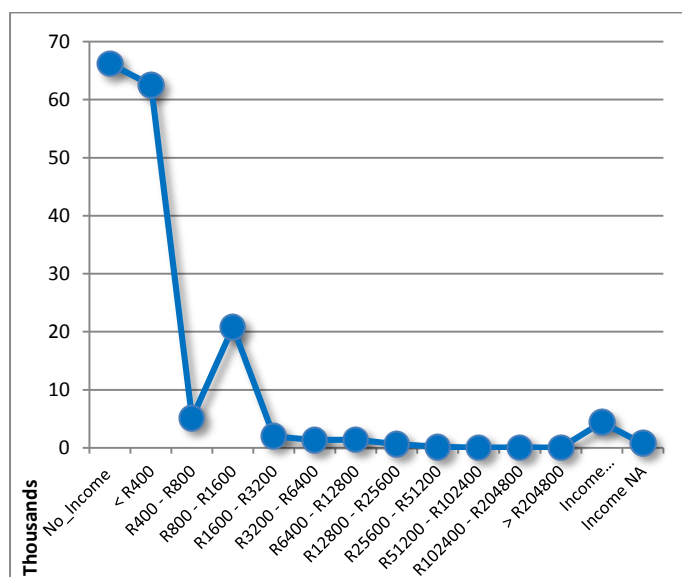
Approximately 7, 059 people are employed in the formal sector and only 1 859 in the informal sector. Majority of these people employed in the formal sector are mostly absorbed in the trading centre or related economic sectors. The informal economy absorbs a small proportion of the population in the job market. The sector is a strong contributor to economic growth and employment opportunities and as such the municipality should focus on growing the informal sector by initiating LED programmes that promote their growth.

	uMzinyathi	Endumeni	Nqutu	Msinga	uMvoti
Formal sector	36 229	11 767	7 057	7 059	10 346
Informal sector	9 557	1 639	1 859	1 436	4 623
Private household	4 711	1 597	1 200	458	1 456
Do not know	1 056	229	125	161	541

Source: StatSA, Census 2011

3.2.5 Individual Income

Approximately 40% (66,167) people do not have income and about 38% (62,521) earn less than R400 per month confirming a high level of poverty in the area. These people depend on government grant and other family members for survival. About 19% (30,594) earn R400-12,800 per month. The middle and upper middle income (i.e. R12,000 and above earners) population is only 0.5% (885) indicative of a small portion of Nquthu residents with a higher purchasing power.

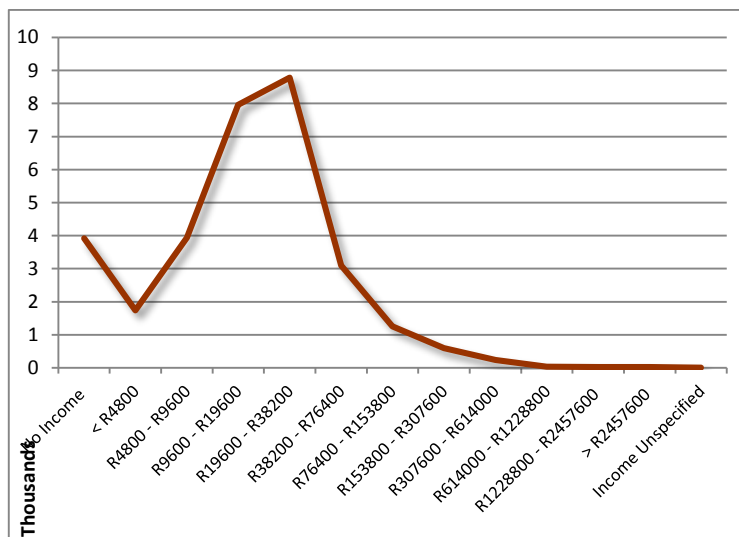


INDIVIDUAL MONTHLY INCOME	
No Income	66,167
< R400	62,521
R400 - R800	5,116
R800 - R1600	20,806
R1600 - R3200	1,949
R3200 - R6400	1,324
R6400 - R12800	1,399
R12800 - R25600	611
R25600 - R51200	178
R51200 - R102400	18
R102400 - R204800	57
> R204800	21
Income Unspecified	4397
Income NA	737

Source: StatSA, Census 2011

3.2.6 Household Income

Approximately 12% (3,915) of the household have no income. Households that are poverty stricken (i.e. with no income/<4,800) are in wards 14 (462 households), 11 (462 h/h), 1 (418 h/h), ward 13 and 10 (381 h/h and 380 h/h respectively).



ANNUAL INCOME	
No Income	3,915
< R4800	1,743
R4800 - R9600	3,943
R9600 - R19600	7,960
R19600 - R38200	8,783
R38200 - R76400	3,095
R76400 - R153800	1,256
R153800 - R307600	593
R307600 - R614000	237
R614000 - R1228800	32
R1228800 - R2457600	28
> R2457600	22
Income Unspecified	2

The status of households correlates with high levels of unemployment in the municipal area. This implies that these households are living in poverty and depend mainly on grants and the municipalities' indigent support for survival.

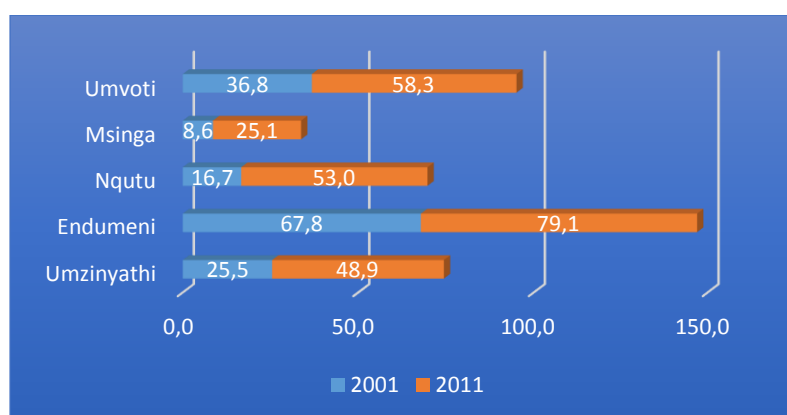
3.3 LIVING CONDITIONS

This part of the report interrogates the circumstances in which the population of Nquthu live in. Living condition in this aspect include access to services such as electricity, water, sanitation, refuse removal, shelter and sewerage in the municipal area.

3.3.1 Access to Electricity

Electricity is important because it is the most common energy we consume and depend on in our everyday lives. It is convenient and supplies energy fast. Consistent supply of electricity allows businesses to operate efficiently hence promote economic growth and development. Access to electricity in Nquthu drastically improved. Only 16.7% had access to electricity in 2001 which rose to 53% by 2011. During interviews however, some business operators in the CBD indicated that at times electricity gets interrupted without warning thereby undermining their business performance. The municipality should ensure consistent supply of electricity to enable the business operate uninterrupted.

Figure 8: Electricity for Lighting %

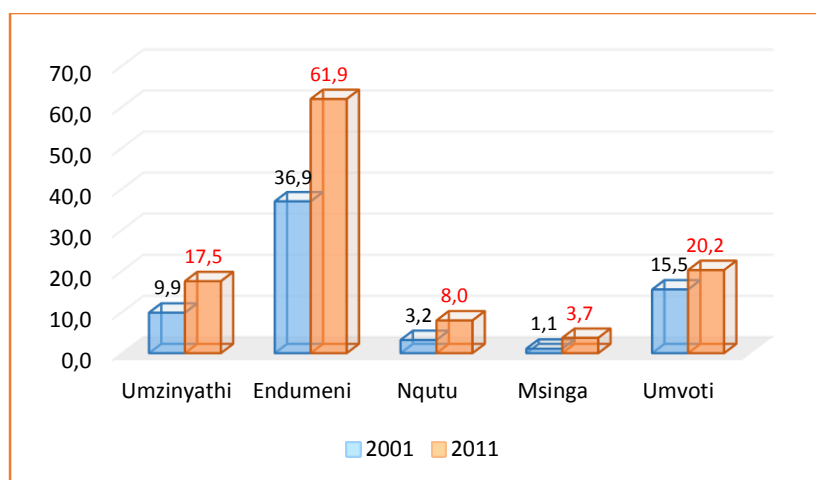


Source: StatSA, Census 2011

3.3.2 Access to Water

Water is a scarce commodity in Nquthu as majority (92%) of the households do not have access to piped water inside dwelling. Nonetheless, households with access to piped water increased from 3.2% to 8% between 2001 and 2011. Water in the interior is generally a problem and inhabitants rely on perennial streams (more abundant in the southeast) and springs for drinking water for themselves and their livestock. The municipality is currently initiating some water schemes in various wards that is expected to improve access to water to several households in the municipal area. The figure below illustrates.

Figure 9: Piped Water inside Dwelling



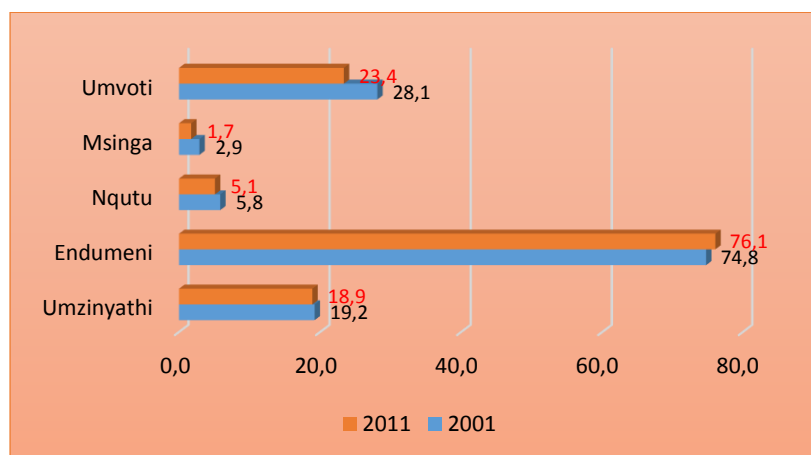
Source: StatSA, Census 2011

3.3.3 Access to Sanitation Services

Sanitation services are very limited in Nquthu. According to the Nquthu IDP 2014/15. uMzinyathi District Municipality provided Nquthu with sanitation as the basic infrastructure. There are areas that still have sanitation backlog. Most of these areas are scattered in the gorges making them harder to deliver such services to the community. There are areas which have never received any type of sanitation from the District namely; Haladu, Nkande and Mhlangeni in Ward 16 and in Ward 17. Similarly, Nkande, Tshendlovu, Ekudukeni, Tlokweng and Esigqumeni are areas within Ward 17 which do not have access to sanitation.

The figure below shows that only 5.8% of the flush toilets in Nquthu are connected to sewerage.

Figure 10: Flush Toilets Connected to Sewerage

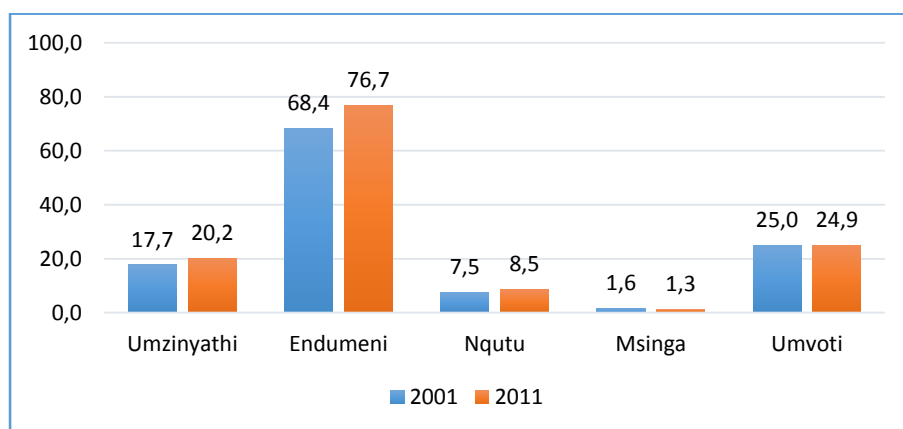


Source: StatSA, Census 2011

3.3.4 Access to Refuse Removal Services

Refuse removal services are very limited in Nquthu Municipality as only 8.5% of the population receive these services. According to the Municipal IDP 2014/15 the municipality does not have its own landfill site and is currently using the Glencoe landfill site for its solid waste disposal. The municipality is still busy in the process of identifying a landfill. The figure below illustrates refuse removal services.

Figure 11: Weekly Refuse Removal %



Source: StatSA, Census 2011

3.3.5 Transportation Infrastructure

Nquthu is strongly linked to the surrounding town of Dundee, Melmoth, Vryheid and Newcastle. The main roads that link Nquthu to other regions are R68 and R33. Due to these routes passing through the Municipality, Nquthu is fairly accessible, with the route from Dundee to Melmoth being the shortest route from Newcastle/Ladysmith and Ulundi and the KwaZulu Natal north coast. A link road funded by the Provincial Department of Transport and Road that pass through Nkandla is nearing its completion. In addition, the National Department of Roads commissioned the upgrade of D1566,

which according to the municipal IDP forms one of the potential economic links to the development of a nature conservation, multi-purpose centre as well as grape farming at Qhudeni.

3.4 SPATIAL STRUCTURE

3.4.1 Settlement Pattern

3.4.1.1 *Urban Settlement*

Nquthu Town and Nondweni are the only two urban settlements found within Nquthu Municipality. The former is located on erf 100 and comprises of residential areas which half of it is characterized by land with little gradient (the northern sector) and the rest of it, or southern sector, being dominated by mountains and streams. The only urban node in the area is Nquthu village, offering the widest range of opportunities in respect of services. Even though this is the situation, the town is underdeveloped as a result of low-income levels prevailing in the area.

3.4.1.2 *Rural Villages*

The Municipal IDP is clear in this aspect. It notes that rural settlement is the dominant form of land use in Nquthu Municipality. They account for the majority part of land coverage, and occur in different forms with scattered, betterment and peri-urban settlements being the most common. Scattered settlements occur in areas that were not affected by betterment planning. As the name suggests, households in these settlements are scattered unsystematically in space reflecting the impact of traditional land allocation systems. Some of the households are located in areas that are not suitable for settlement due to environmental sensitivity, steep terrain and poor access to basic services.

Betterment schemes were implemented in Nquthu during the apartheid past as a means to manage natural resources in an area with limited agricultural potential. These settlements are characterized by a clear separation of residential from grazing and arable land. However, in most areas this system has broken down and households have located on land previously reserved for agricultural purposes.

Peri-urban settlements occur just outside of Nquthu Town on Ingonyama Trust Land. Areas such as Luvisi have developed as a natural extension of the town. Unless land use controls are introduced, these settlements are in danger of degenerating into huge rural slums.

3.4.2 Land Ownership

Apart from the towns of Nquthu and Nondweni, and selected farm portions on the eastern side of the municipality, about 93% of land within the Municipality is owned by Ingonyama Trust and managed on day-to-day basis by the respective traditional councils. Depending on existing communication structures between the Local Authority and the Traditional Authority, careful planning and co-ordination is required to ensure proper and effective provision of services in the areas administered by the Traditional Authorities, without undermining the authority of the Traditional Council.

The underlying title of Erf 100 has been transferred to the municipality, and this will enable the municipality to transfer individual erfs to their respective owners. A small number of restitution claims are present on the eastern boundary of the municipality. The status of these claims still are yet to be confirmed with the Regional Land Claims Commission. The claimed farms are located outside of the municipal area.

3.4.3 Wall to Wall Scheme

The Municipality has a Town Planning Scheme in place and Urban Development Framework which guides the development within Nquthu jurisdiction in order to categorize the land use zones and transport modes. This assist in empowering the Local Economic Development as the investor will be much attracted if there are such structures in place.

As per Planning Development Act, Nquthu Local Municipality has responded on the MECs comment that all the municipalities within KwaZulu Natal should prepare a Wall to Wall Scheme. Nquthu is the first municipality to undertake this process. The service provider was appointed and is currently finalizing the project.

4 OVERVIEW OF UMZINYATHI ECONOMY

4.1 SIZE AND STRUCTURE OF THE DISTRICT ECONOMY

The district economy relies heavily on wholesale & retail trade, community, government and agriculture sectors both in the GVA contribution and employment. Other sectors such as transport, mining and quarrying, manufacturing, electricity and construction contribute minimally. It is evident that government is the main source of the district GVA contributing approximately 18.7% (1,972m). The contribution from the government is mainly coming from Endumeni 23.1%, Msinga 20.6% and Nquthu 19.6%. This is due to the fact that these municipalities house most of government departments and employees from these departments are the main source of revenue collection. The other sectors that contribute considerably to the district GVA is wholesale 18.4% (1,937,7m), followed by manufacturing (13,1%) and finance (12.5%).

Table 5: District GVA Sector Contribution (R in millions)

Sector	uMzinyathi	Endumeni	Nquthu	Msinga	uMvoti
	R in millions				
Agriculture	1,106,3	268,8	166,4	114,1	556,9
Mining and quarrying	378,9	201,6	40,4	17,2	119,7
Manufacturing	1,377,0	391,1	153,0	158,0	674,8
Electricity	307,6	145,3	8,4	21,0	132,9
Construction	420,4	210,9	21,0	137,5	51,0
Wholesale & retail trade	1,937,7	456,7	414,4	239,7	826,9
Transport	912,9	302,2	103,0	204,2	303,5
Finance	1,319,2	376,4	188,7	150,4	603,6
Community	806,8	171,0	129,6	151,0	355,2
Government	1,972,0	756,8	297,8	310,3	607,2

Source: Calculation based on Quantec data 2013

Table 6: District GVA Sector Contribution in %

Sector	uMzinyathi	Endumeni	Nquthu	Msinga	uMvoti
Agriculture	10,5	8,2	10,9	7,6	13,2
Mining and quarrying	3,6	6,1	2,7	1,1	2,8
Manufacturing	13,1	11,9	10,0	10,5	15,9
Electricity	2,9	4,4	0,6	1,4	3,1
Construction	4,0	6,4	1,4	9,1	1,2
Wholesale & retail trade	18,4	13,9	27,2	15,9	19,5
Transport	8,7	9,2	6,8	13,6	7,2
Finance	12,5	11,5	12,4	10,0	14,3
Community	7,7	5,2	8,5	10,0	8,4
Government	18,7	23,1	19,6	20,6	14,3

Source: Calculation based on Quantec data 2013

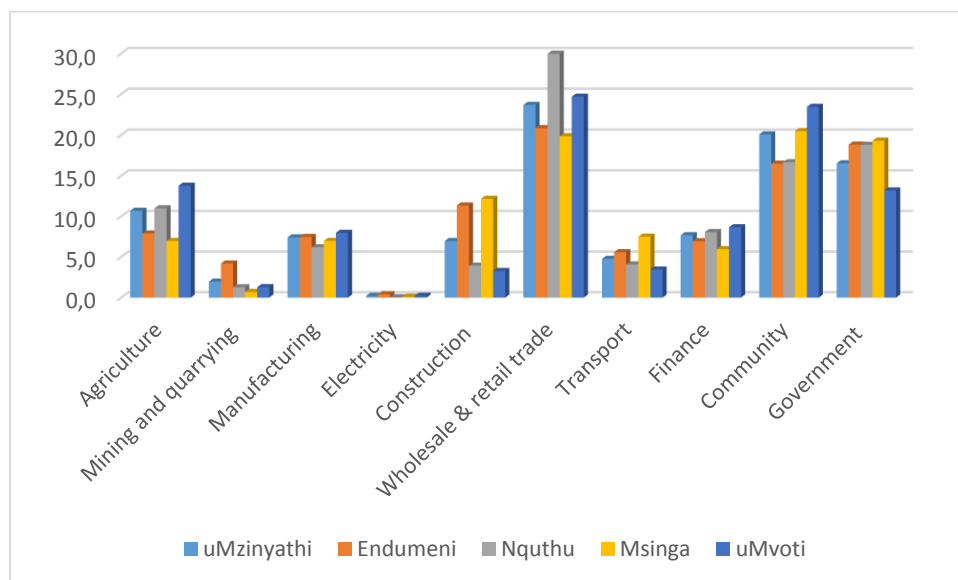
The wholesale and retail trade is the main source of employment to the district where majority are employed in Nquthu, uMvoti and Endumeni. These municipalities comprise commercial precincts that house commercial premises that demand workforce to operate on the businesses. Community and government also employ a considerable percentage each employing 20.1% and 16.5% respectively. Agriculture, manufacturing, transport and finance offer limited employment opportunities. The district should consider enticing other sectors such as agriculture and tourism to increase its level of employment opportunities. **Table 7 and figure 12** illustrate.

Table 7: Employment by Sector

Sector	uMzinyathi	Endumeni	Nquthu	Msinga	uMvoti
Agriculture	10,7	7,9	11,0	7,0	13,8
Mining and quarrying	2,0	4,2	1,3	0,7	1,3
Manufacturing	7,4	7,5	6,2	7,0	8,0
Electricity	0,2	0,4	0,0	0,1	0,2
Construction	7,0	11,3	3,9	12,2	3,3
Wholesale & retail trade	23,7	20,8	30,0	19,9	24,7
Transport	4,8	5,6	4,1	7,5	3,5
Finance	7,7	6,9	8,1	6,0	8,7
Community	20,1	16,5	16,7	20,5	23,5
Government	16,5	18,8	18,8	19,3	13,2

Source: Calculation based on Quantec data 2013

Figure 12: Employment by Sector



Source: Calculation based on Quantec data 2013

5 LOCAL KEY ECONOMIC SECTORS ANALYSIS

The terms of reference notes that the report should focus on the agriculture sector and to a large extent analyse the investment potentials of the municipal area. With this in mind however, the report will not have done justice by excluding the other sectors of the economy as it is very clear that there are other sectors of the economy such as commerce, tourism and the informal economy that are contributing to the municipal GVA, employment opportunities and reduce the level of poverty. To this end therefore, this section of the report will analyse the agriculture sector to a greater level than any other sector. Notwithstanding, the section will briefly interrogate other sectors of the economy in Nquthu to provide an understanding of their performance with an intention to provide guidance to the municipality on how to intervene so as to grow and develop the economy beyond agriculture practices.

A brief competitiveness assessment will be made at the end of each sector analysis. The competitiveness assessment will be evaluated using a model developed by Porter in a book, *The Competitive Advantage of Nations* (1990).

5.1 AGRICULTURE SECTOR

5.1.1 Overview of the Sector

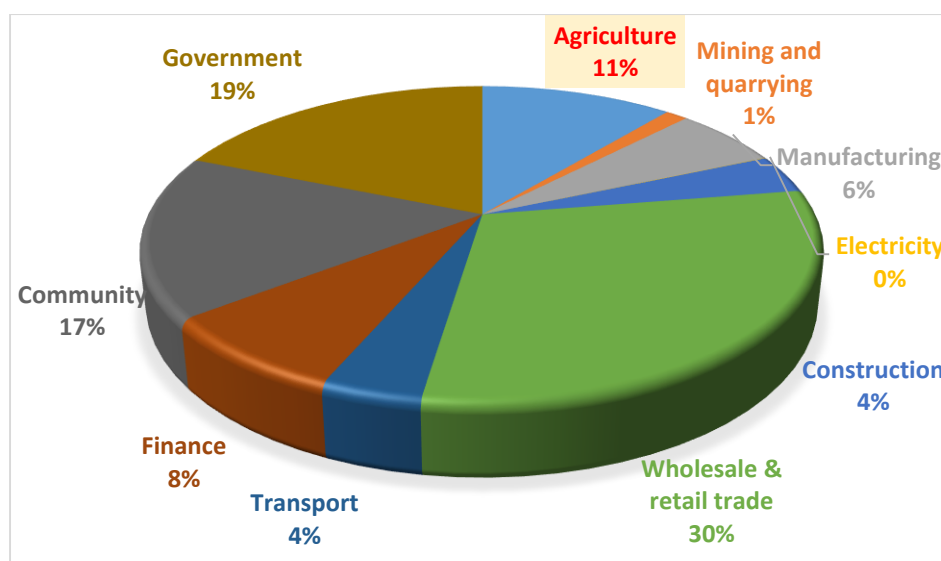
Agriculture sector contributes minimally to the municipal GVA. In 2013, the sector contributed only 10.9% to the municipal GVA. The sector however, recorded a slight growth as it contributed approximately 10.2% in 2009 compared to 10.9% in 2013. The sector provides employment opportunities to many rural municipalities. It is a sector that absorbs a considerable amount of labor force in municipalities in the hinterlands. However, the sector does not have the same impact in Nquthu. Only 11% of the economically active people in Nquthu are employed in the agriculture sector. This is attributed to the fact that there are no commercial farming practices in Nquthu. **Table 8 and figure 13** below illustrate.

Table 8: GVA Contribution by Agriculture Sector

SECTOR	2009		2013	
	R millions	%	R millions	%
Agriculture	105,7	10,2	166,4	10,9
Mining and quarrying	27,7	2,7	40,4	2,7
Manufacturing	128,1	12,3	153,0	10,0
Electricity	4,7	0,5	8,4	0,6
Construction	17,3	1,7	21,0	1,4
Wholesale & retail trade	225,1	21,7	414,4	27,2
Transport	82,4	7,9	103,0	6,8
Finance	131,0	12,6	188,7	12,4
Community	98,2	9,5	129,6	8,5
Government	217,6	21,0	297,8	19,6

Source: Calculated based on Quantec Data 2013

Figure 13: Employment by Agriculture Sector



Source: Calculated based on Quantec Data 2013

It is without doubt that the municipality is not benefiting much from the agriculture sector. The following section analyses key environmental aspects that are significant to commercial farming.

5.1.2 Environmental Context

5.1.2.1 *Physical Characteristics*

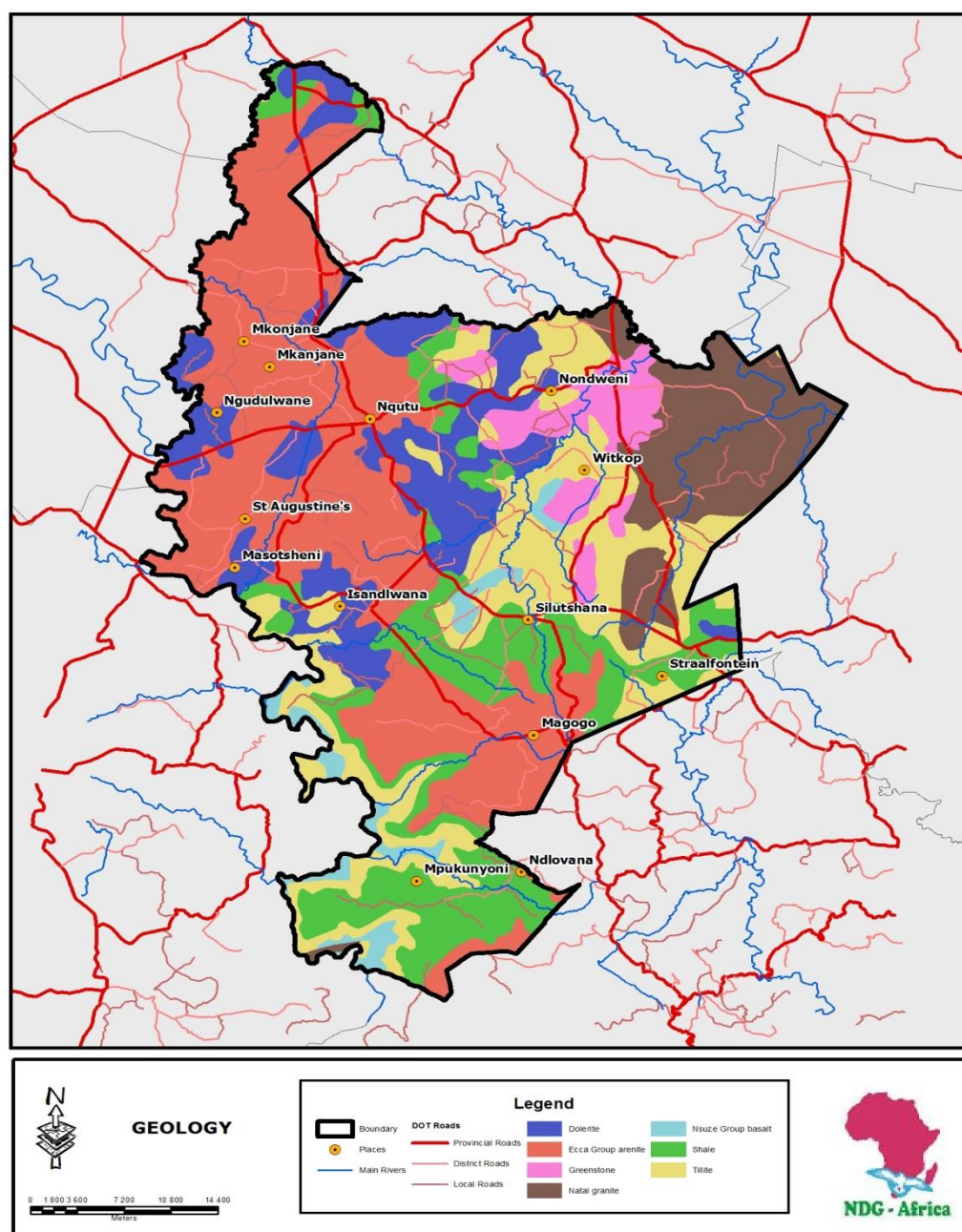
5.1.2.1.1 *Topography and Slope*

The municipality is generally rugged to gentle rolling. Steep slopes and deeply incised valleys pose severe limitations to land based development. All proposed development are generally likely to have some setbacks with regards to earth works which implies that major disturbance to the soil and stock pile of earth are likely to occur. The underlying geology to the west of the municipality is predominantly the Ecca Group Arenite interspersed by Dolerite while the eastern and southern side consists of a mixture of formations including shale and tillite (**refer to Figure 14**).

Shale is a very unstable sub-base due to its readily collapsible character. Shale also has the potential to expand and contract thereby rendering instability in the ground. It is important to note that given the geological character of the development area, there is the potential for disturbances to both surface structures such as buildings and roads, and underground infrastructure such as sewer and water pipe lines.

Soils originating from this sub-base type are also expansive and highly susceptible to erosion. This accounts for the extensive erosion and 'dongas' that occurs in the municipality. These soils tend to have accelerated erosion under poor land uses especially in areas where the soil surface is exposed. Development activities should thus be mindful of the high erosion potential of the area. It would be necessary to ensure that soil erosion prevention measures are planned and vegetation removal is kept to only areas where it is necessary. A rehabilitation programme to combat soil erosion and re-vegetate eroded areas is also recommended.

Figure 14: Geology of Nquthu LM



Development potential of an area is a composite of various land characteristics including topography, slope, soils, hydrology etc. Steep slopes, unstable soils, poor drainage and unfavourable geological formations are factors that make a given area have a low development potential. In the case of the Nqutu Municipality, the highly undulating terrain with associated variable slopes within the western half of the municipality are indications of low infrastructure development potential. Slope instability may occur and slope gradients create constraints to development.

The area is also characterised by shallow lithosols on weathered bedrock and shallow soils on bedrock. Some of the lower slope areas may be characterised by thicker soil deposits washed down from the hilly areas. These lower areas within the rugged terrain may have potentially active and or expansive

soils and potentially erodible soils. The presence of bedrock at shallow depths may require mechanical methods of excavation for foundations and service trenches. Drilling and blasting may also be required in some areas. Due to topographical and geological constraints, the area is likely to pose severe challenges for the establishment of large scale graveyards.

5.1.2.2 Key Areas for environmental concern

5.1.2.2.1 Donga Rehabilitation

The development of dongas in the municipality is threatening land suitability and availability, and consequently livelihood level of the citizens of the municipality. **Figure 15** below indicates transformed areas which are also areas in the municipality where extensive land degradation has occurred.

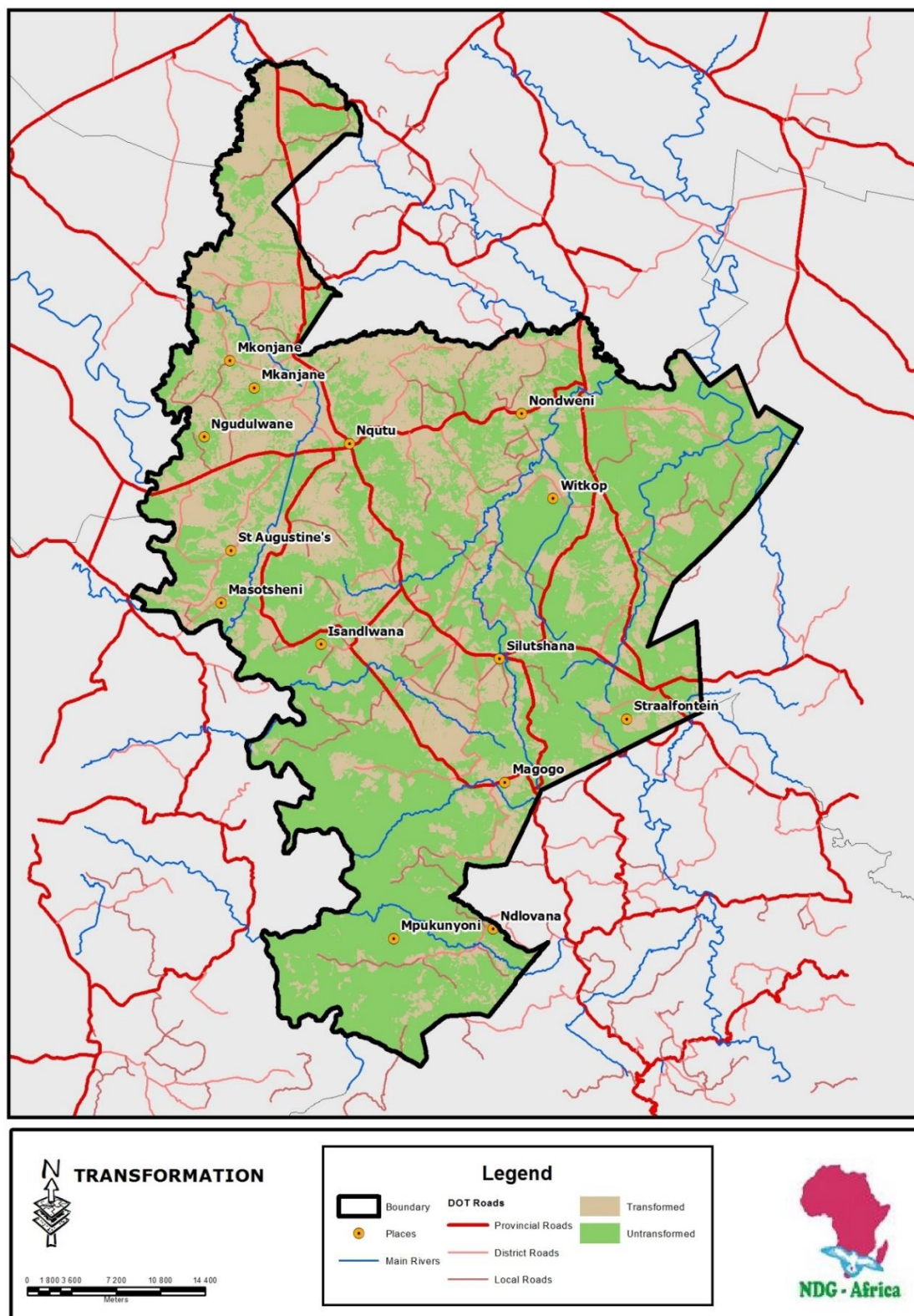
The significance of the impacts of land degradation in the municipality is appreciated when degraded areas are compared with productive land areas such as agriculture. As can be seen on **figure 16** below relating to agriculture production, it would be observed that the only potentially high agriculture production land is also where significant land degradation occurs.

In a largely rural municipality such as Nqutu where agriculture is expected to be the backbone of the rural economy, degradation of any productive agricultural land has the potential to lower the standards of living, increase joblessness, and increase the poverty level levels of the municipality.

5.1.2.2.2 Prevention of Soil Erosion

Survey of land uses in the municipality revealed that land degradation is most extensive and intensive on communal land where inappropriate land uses such as overgrazing and subsistence agriculture occur (refer to figure 12). Due to the fact that majority of people rely on subsistence agriculture for their livelihood, the control of soil erosion and land degradation are key areas for management intervention in the municipality.

Figure 15: Areas of transformation land degradation in Nquthu



5.1.2.3 Ecological and Biodiversity Characteristics

5.1.2.3.1 Vegetation types

There are two predominant vegetation types which together occupies approximately 80% of the Nqutu Municipality. These are:

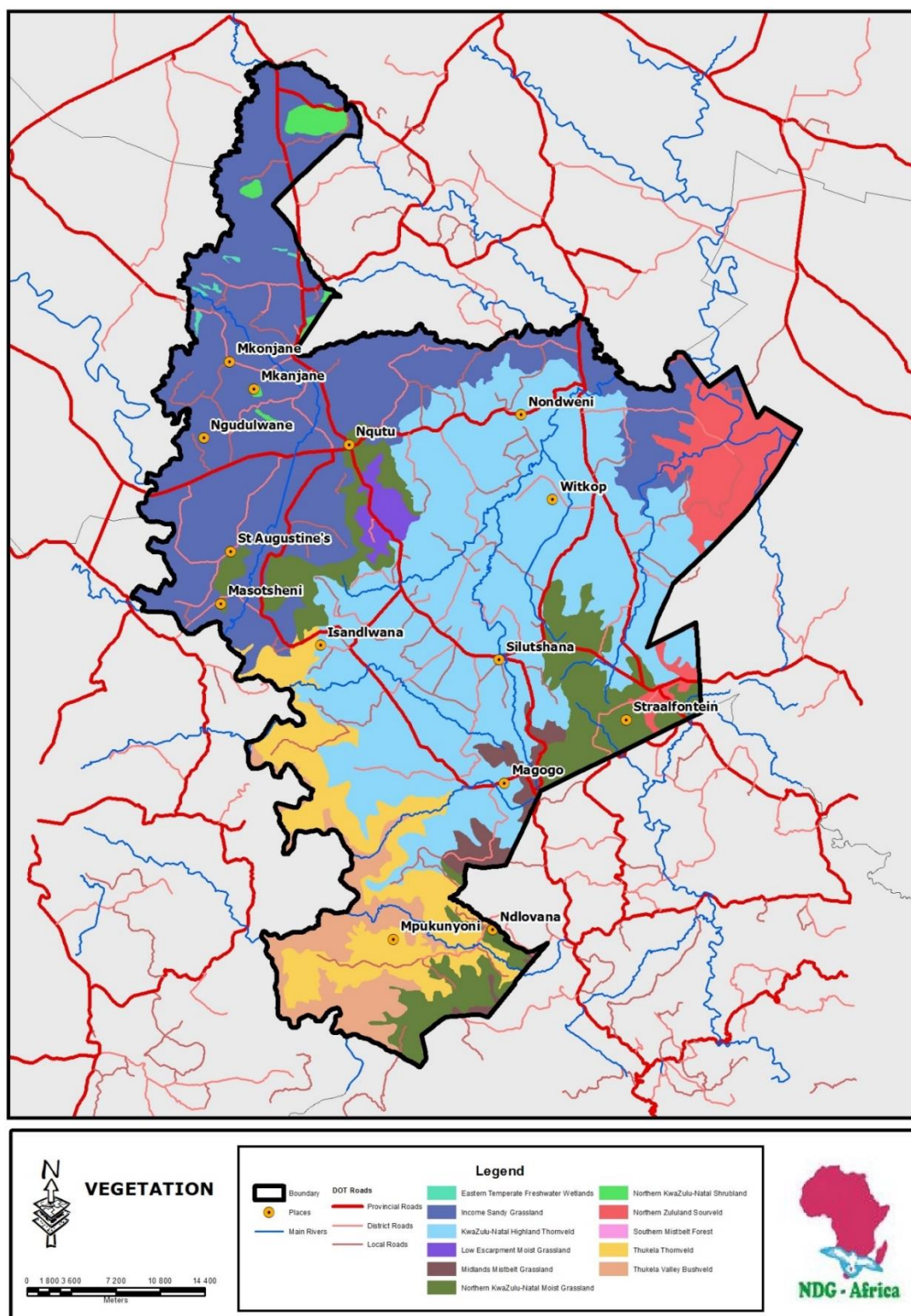
- Incame Sandly Grassland;
- KwaZulu Natal Highland Thornveld

Other minor but important vegetation types are the Thukela Thornveld, and the Thukela Valley Bushveld vegetation types (figure 13). Few grasslands of ecological significance occur in the municipality (photo 1). These grasslands offer social goods and services such provision of thatching grass to rural households and therefore also need to be conserved.



Photo 1: One of the grassland areas in the municipality

Figure 16: Vegetation types in Nquthu



5.1.2.4 Ecological characteristics of the vegetation types

The ecological statistics related to the major vegetation types in the municipality indicates that the two major vegetation types (the Income Sandy Grassland and the KwaZulu-Natal Highland Thornveld) are both near endemic to KZN which means that approximately 70% of these vegetation types are found in KZN only and nowhere else. Given the transformation and level of degradation that occurs within the vegetation type in the province (approximately 62% and 43% respectively), the vegetation type is recorded as endangered and vulnerable respectively. Furthermore, the Income Sandy Grassland vegetation which is endangered is not protected at all provincially and therefore requires intensive local management to save the vegetation from getting critically endangered.

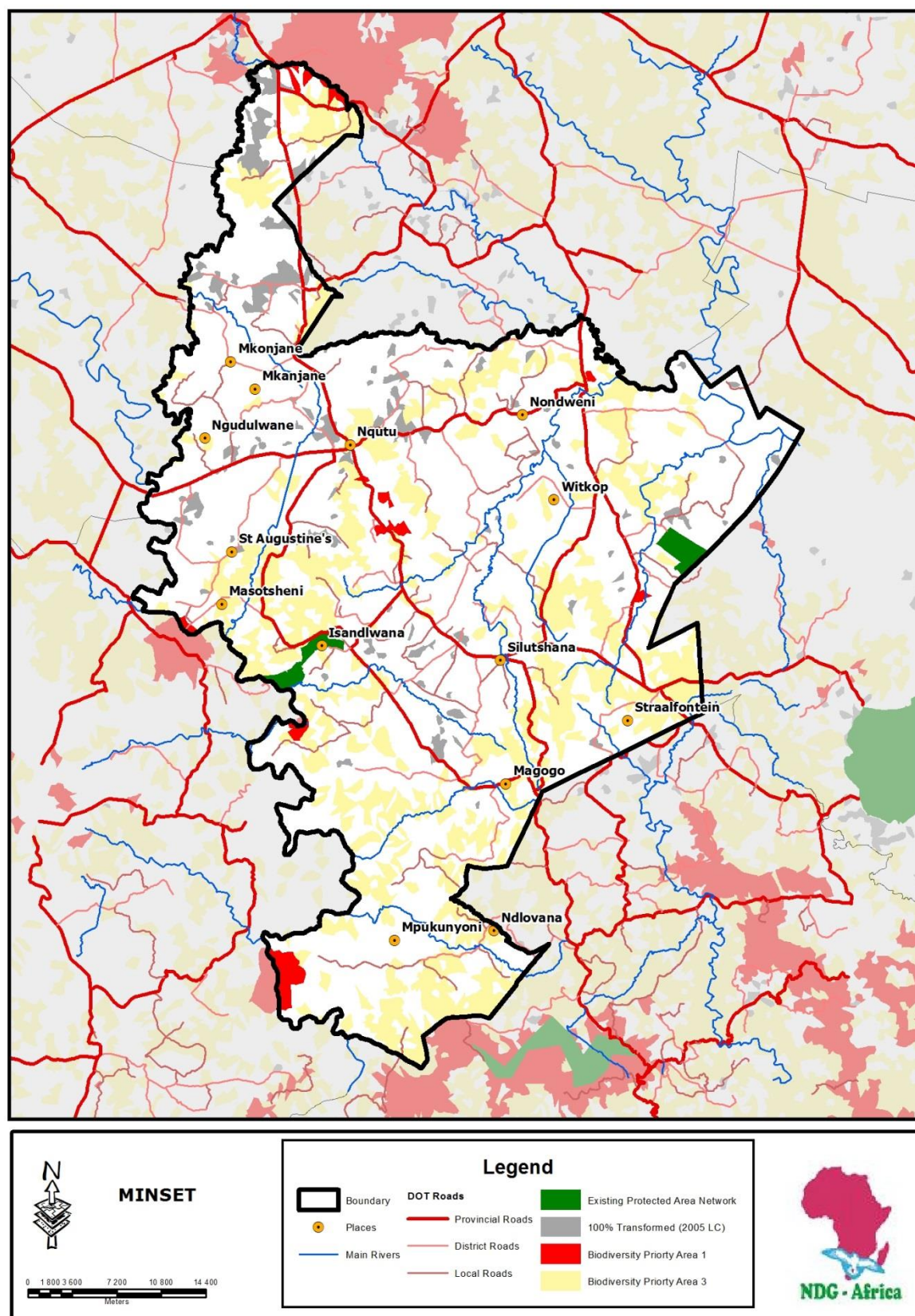
Table 9: Ecological statistics regarding the two vegetation types in Nquthu

Vegetation type	Provincial coverage	Area protected	% of vegetation left	Ecological Rating	Endemicity
Income Sandy Grassland	467085	0.0	38.026	Endangered	NE
KwaZulu-Natal Highland Thornveld	501502	1.4	66.873	Vulnerable	NE

5.1.2.4.1 Protected Areas and management Priority

There are a few protected areas within the municipality as shown in figure 14. These protected areas must be conserved and considered for management from all infrastructure development planning projects that are likely to have a negative impact on the protected areas. Furthermore, in order to save biodiversity in the province, Ezemvelo KZN Wildlife has developed a management system that provides a range of management intensity approaches to biodiversity in the province. Of the three management priority levels, there are largely management priority 3 areas dispersed in the municipality and a few management priority 1 areas. The priority one areas require intensive management to the level of conservation and protection. It is recommended that infrastructure planning in and the vicinity of all priority one areas should be done with early consultation and involvement of KZN Wildlife.

Figure 17: Protected & biodiversity management priority areas in Nquthu

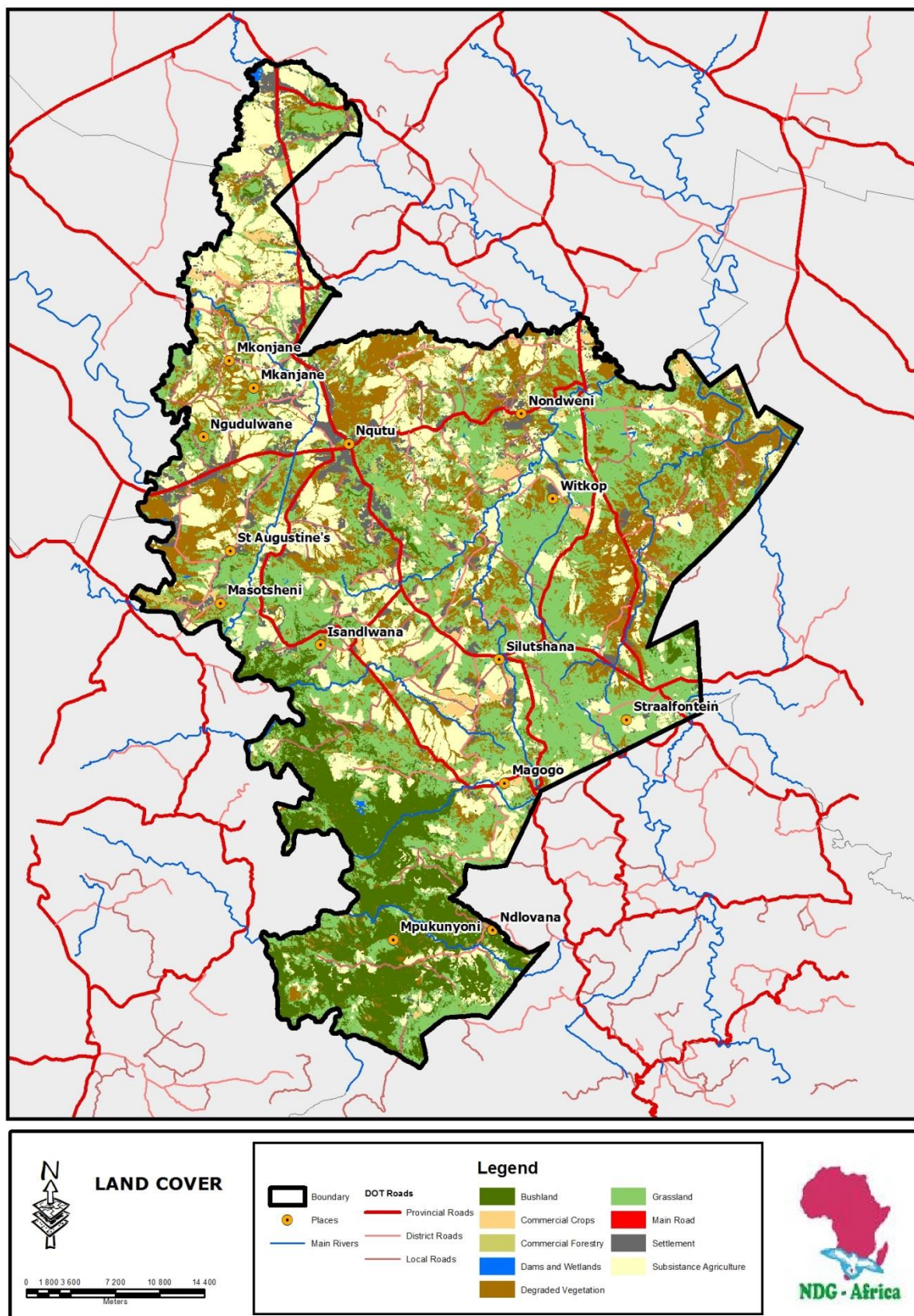


Key biodiversity issues are those that impact on the integrity of ecologically sensitive sites within the Nqutu Municipality. Activities that are likely to impact on vegetation include:

- Settlement;
- Extensive agricultural activities;
- Soil erosion and creation of dongas;
- Over grazing;
- Firewood/Energy;
- Infrastructure development activities;
- Afforestation

To combat soil erosion and consequent formation of dongas, and to prevent the loss of important biodiversity, management of vegetation in the municipality requires a concerted effort to conserve untransformed vegetation areas (refer to **figure 18** for main land uses). The establishment of vegetation/biodiversity corridors within the municipality and maintaining linkages between various vegetation communities and external conservation areas is of primary importance in an effort to manage biodiversity in the municipality. In order to meet the biodiversity requirements of specific areas in the municipality, a minimum set of biodiversity requirements has been established.

Figure 18: Land uses in Nquthu Municipal Area



5.1.3 Spatial Distribution of the Sector

Nquthu is blessed with a considerable size of land, however, agricultural practises are hugely on small scale or subsistence. Agriculture is concentrated around Nondweni and Witkop. Other agricultural activities are situated in the far north of the municipality near Kandasput, as well as in the east at Straalfontein. There are several small scale farming projects in maize production, dry beans, poultry and livestock in almost all the municipal wards. Crop farming currently takes place on approximately 2 750ha¹ with production focusing on maize (60%) and beans (5%).

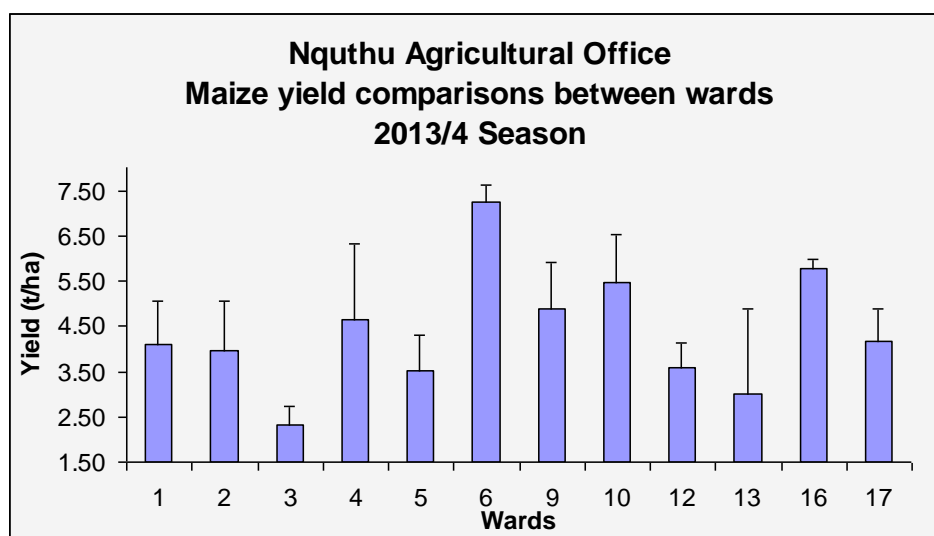
5.1.4 Farming Practices in Nquthu

5.1.4.1 Maize Production

Maize farming is popular in Nquthu since it is the staple food of the community and as such majority of the households in the municipality plant it for household consumption.

Maize production does well in ward 6 as approximately 7 tons/ha was harvested. This was followed by ward 16 (6tons/ha), ward 10 (5.50 tons/ha) and ward 9 (5 tons/ha). The figure below compares the yield between all the wards in Nquthu.

Figure 19: Maize yield comparison between wards 2013/14



Source: Department of Agriculture Nquthu Office

¹ Nquthu IDP 2013

5.1.4.2 Dry Bean Farming

Dry bean farming is practiced in wards 3, 6 and 11. Unlike maize, dry beans farming is practiced in fewer areas in small scale and this is because of lack of water and the poor soil types in majority of the land in the municipal area. The tables below summarize dry beans production for the year 2013/14.

Table 10: Dry Beans Yield ton/ha

District Approval Number	Mean bean/pod	Plant population	Yield t/ha
WARD 3			
Ngobese	78	18 900	0.84
Siphezi Group	5.6	31 515	2.85
WARD 6			
Ngobese	78	18 900	0.84
Siphezi Group	5.6	31 515	2.85
WARD 11			
Grace Ndaba	6.8	99 600	1.01
Nomsa Manyathi	6.8	83 700	1.24
Nomthandazo Ndebele	5.6	99 600	1.10

Source: Department of Agriculture Nquthu Office

5.1.4.3 Livestock Farming

Nquthu is situated in a sandy sour veld in the north-western KwaZulu Natal that is favourable to producing tall grass veld that offers opportunity for grazing during summer seasons. The area has a livestock farming cooperatives that consist of a couple of households that practice livestock farming (i.e. goats, cattle and sheep). For instance, there are approximately 11,000 communal sheep stock of mixed breeds of which majority are of wool production. With this level of sheep stock there is no denying that the area has potential for sheep commercial farming given that sheep farming is essential source of meat, fibre, skin, horns and wool. Currently, these farmers are trading within the informal circles thereby not maximally benefitting from the immense value chain opportunities offered by the sector. The municipality acknowledges the potential of commercial sheep farming and its ability to alleviate poverty, create job opportunities and economy development. It acknowledges that in order for the farmers to fetch a good price in the market, it is imperative that the municipality establishes a centre that will be utilized to train sheep farmers and link them to the formal market that will buy their produce at favourable market related price. To ensure that this objective is



realized, the municipality has put to tender for a service provider to undertake the project to the next level.

Cattle farming practice is also in progress in the municipality. Like sheep farming, cattle produce milk, meat and skin which are in good demand. However, cattle farming is somewhat not undertaken seriously in Nquthu perhaps because of lack of water and poor cattle pasture. Nonetheless, according to a source from the Department of Agriculture Nquthu Office indicated that Nguni Cattle can do better in Nquthu. With numerous value chain opportunities that cattle farming provides, the municipality should consider facilitating the growth of cattle farming with same zeal offered in the sheep farming.

5.1.4.4 Poultry Farming

There are approximately 10 groups² that practice poultry farming. These farmers sale their produce to the neighbourhood and little is brought to Nquthu Town for sale. During interviews, it was revealed that most of these poultry farms are not doing well. Some of the reasons were:

- Poor management skills;
- Farming not taken as a business;
- Water shortage

5.1.5 DAEA Projects and Support Services offered to Farmers

Interview with the Area Manager (Department of Agriculture Nquthu) identified the following as support services that the department offers to the farmers:

- Technical advice / training;
- Infrastructure funding (e.g. fencing);
- Provision of free seeds / seedlings;
- Ploughing of farms

The table that follows reflects the projects that the department of agriculture is assisting in the various municipal wards despite the unfavourable conditions.

Table 11: Department of Agriculture Projects 2014/2015

Item	Ward/s	Unit	Cost/unit	Total Cost	Source	Employment
Mechanization (plough & plant)	all	400	10,000	4,000,000	Departmental	10
Mfolozi Garden	10	1	25,000	25,000	Departmental	2
Wool Shearing Shed	16	1	1,000,000	1,000,000	CASP	10
Nesta Shabangu Poultry	10	1	1,000,000	1,000,000	CASP	5
Water Pump (Inqolobane garden)	16	1	190,000	190,000	Departmental	1
Sithole Poultry	11	1	1,000,000	1,000,000	Departmental	5

² Department of Agriculture – Nquthu Office

Landcare project (Jabavu)	12	1	1,121,000	1,121,000	Landcare	35
Landcare project (Mdlenevini)	17	1	111,500	111,500	Landcare	20
Fencing	all	100	5,000	500,000	RD&LR	20
Veld & animal Programme	2			0	RD&LR	0
Seed Scoops	all	5,000	10	50000	Departmental	0
Water tanks	3,9&15	20	4,000	80000	Departmental	2
Dip	all	86	1,200	103200	Departmental	0
Vaccination (Zoonotics, rabies)	all	17	3,000	51000	Departmental	0
Environmental awareness	all	5	1,000	5000	Departmental	0
Indigenous tree distribution	all	300	200	60000	Departmental	0
Agronomic demonstrations	12,16,10,4	4	10,000	40000	ARC	0
Potato Production	16	1	10,000	10000	Potato SA	0
TOTAL				9,346,700		110

5.1.6 Agricultural Potential in Nquthu

Agricultural potential for any given land area is generally classified into eight potential ratings as: very high, high, good, moderate, restricted, very restricted, low, and very low potential. Agricultural potential in the Nqutu Municipality falls mainly within 3 of the eight potential ratings namely: Moderate potential, restricted potential and very low potential areas (**figure 20**). This poor agriculture land potential is related to the rugged topography and shallow soils discussed in section 5.1.1.1.

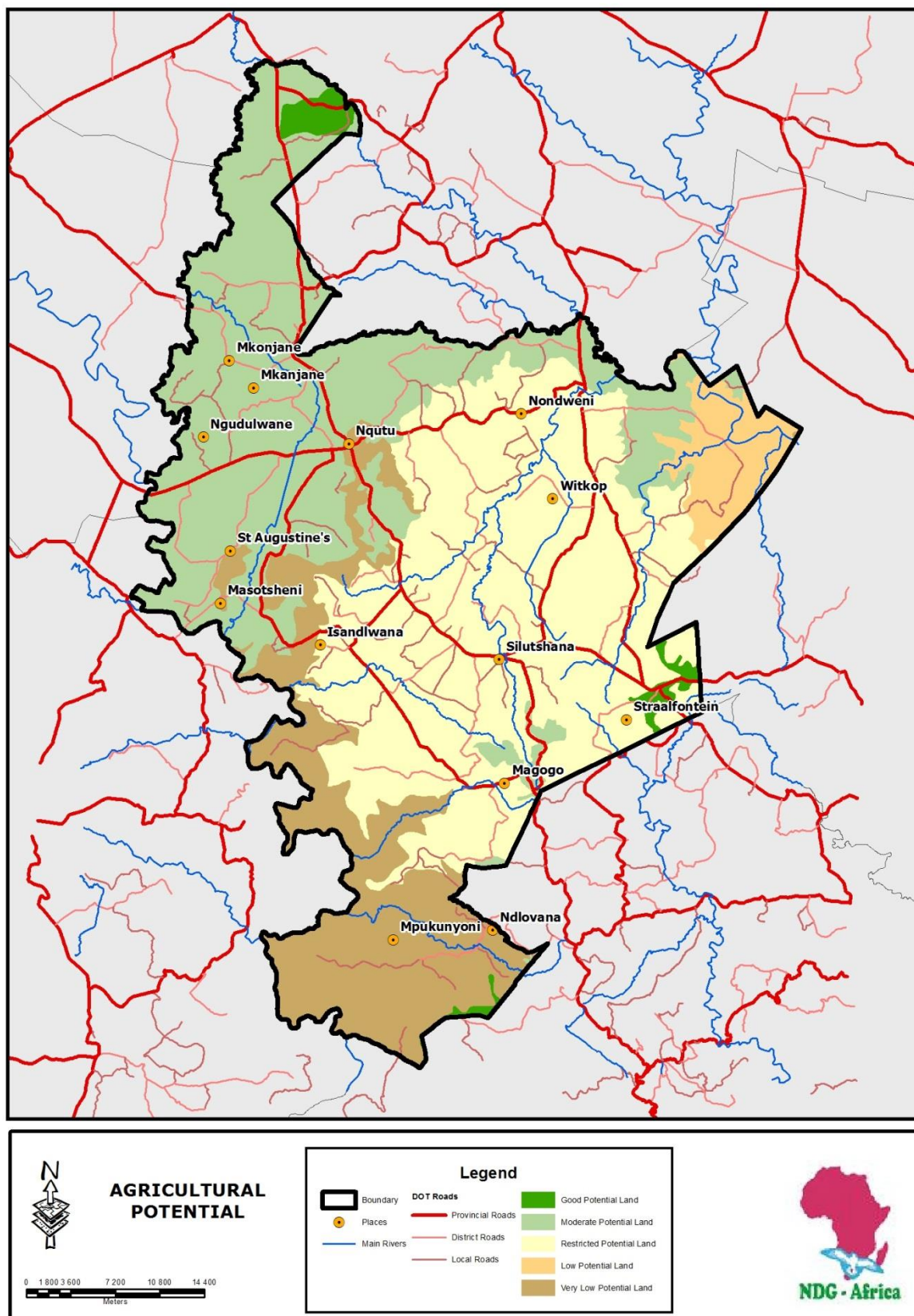
The only areas in the municipality with relatively good agricultural potential land are located at the extreme north west of the municipality, strips of land at the western boundary of the municipality west of Straalfontein and even a smaller portion of land along the southern border of the municipality. It should be noted that, Nqutu being a typically rural municipality is largely depended on agriculture as a source of livelihood by its households. This agricultural land in whatever quantity needs to be judiciously managed for the purpose of optimizing agricultural production. Importantly, the KZN Provincial Spatial Economic Development Strategy (PSEDS 2009), identified an agricultural corridor traversing Nquthu Municipality. With this opportunity, the municipality could look at the possibility of venturing into industrial cropping and agro-processing facilities.

The municipality can facilitate the establishment of the following possible farming practices:

- Farming of industrial crops (e.g. sisal, groundnuts, etc.);
- Livestock farming (e.g. sheep, cattle, goats);

The map below reflects the areas with agriculture potential in Nquthu Municipal area.

Figure 20: Areas with Agricultural Potential in Nquthu

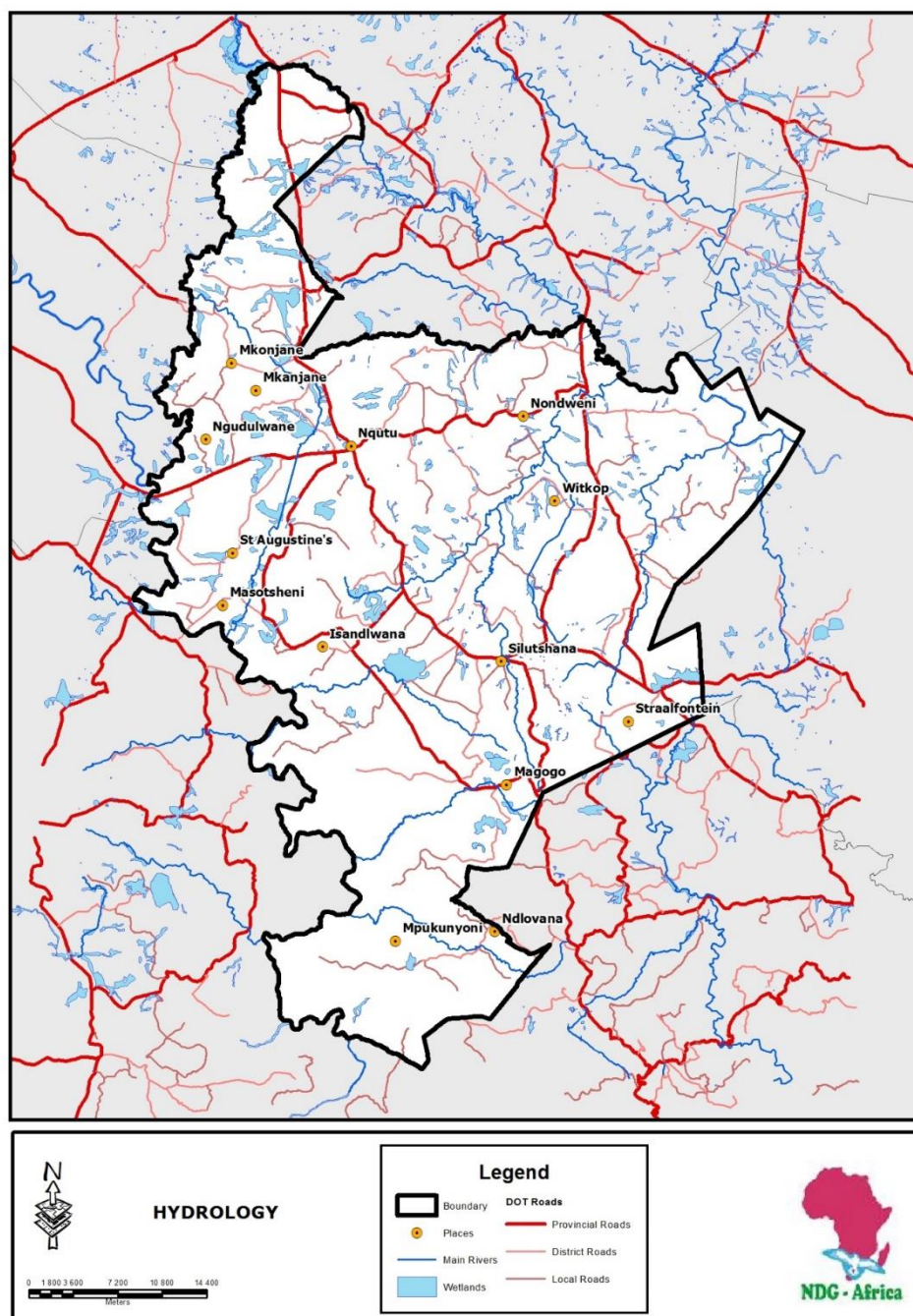


5.1.7 Hydrological Characteristics

Water is one of the critical factors that dictate the direction of economic development (particularly agriculture and industry). The availability and sufficiency of good quality water are important considerations for

overall agricultural and industrial development. For the Nqutu Municipality where agriculture (subsistence or otherwise) is the backbone of household livelihoods, the need to protect water sources is particularly important. The management of water resources within the Nqutu Municipality is even more important due to the fact that several streams take their source from the north western highlands of the municipality. These issues call for appropriate catchment management and water usage guidelines.

Figure 21: Hydrological characteristics of Nquthu



5.1.7.1 *Catchments of the municipality*

A catchment is defined as a land area between a given set of mountains that is drained by a single river from the enclosed mountains to sea. The quality and quantity of water in rivers and streams in a given catchment are largely indicative of the environmental health of the catchment and pre-empt the land use conditions in the catchment.

An important hydrological characteristic of the Nqutu Municipality is the fact that several water courses originate from the rugged highlands at the north western part of the municipality. Under good catchment conditions, downstream flow at the eastern part would be regular and in large volumes. However it is observed that environmental degradation due to poor land uses such as indiscriminate settlement, indiscriminate removal of vegetation and damage to wetlands have resulted in lower yields and diminished water flow in the rivers and streams. It is observed that the rivers and streams appear to contain significantly less water in recent years than used to be the case in the past two to three decades.

5.1.7.2 *Wetlands and vleis*

Wetlands are areas of either temporal or permanent shallow water bodies or moist land that act as sponges for surface runoff. These hydrological ecosystems play significant roles either directly such as provision of tangible environmental goods (water, plants, animals etc.), or indirect services (water purification, flood attenuation, river and stream recharge etc.). Although they play such important roles in the provision of environmental goods and services, wetlands are some of the most threatened aquatic habitats in South Africa.

Threats to wetlands include human development activities, channelization, drainage, crop production, effluent disposal and water abstraction; that is, most human-induced land-use changes. Begg (1986) states that "wetlands formerly occupied between 10 and 15% of every catchment in most provinces in the country. Within the last fifty years however, wetlands in these same areas have been reduced to a few scattered remnants, and in certain catchments virtually eliminated" (DEA&T 1999). This assertion probably applies to the rest of South Africa, including the Nqutu Municipality.

The extensive wetland areas in the Nqutu Municipality (**refer to figure 21**) are largely concentrated around the western section of the municipality. Although records do not exist regarding the extent of wetland loss in the municipality, there is evidence that several of the small wetlands have been drained mainly for crop production purposes. Lack of adequate grazing land coupled with higher than permissible stocking rates have resulted in overgrazing of the wetlands. Uncontrolled and unscientific burning cycles have further resulted in deterioration of the wetlands and a consequent reduction in the functionality of many of the wetlands in the municipality.

The importance of wetlands in the South African context can be seen from the state of wide spread flooding that occurred in many of the municipalities in the past few years. The most significant cause of these floods is the fact that wetlands which act as sponges to absorb excess water in times of high surface runoff and release this water slowly into natural water courses have been systematically destroyed and decimated.

Given the important ecological and hydrological functions of these sensitive ecosystems, the wetlands that have maintained their ecological integrity need to be identified and protected against degradation and degraded wetlands need to be prevented from further degradation and attempts made to rehabilitate the degraded areas.

5.1.7.2.1 Functional wetlands

Wetland functioning is an important consideration in environmental management. Given the important hydrological and biodiversity roles that wetland play in the ecosystems, the effective functioning of wetlands need to be ensured and thus wetland areas need to be managed in accordance with legislative requirements of the country.

Of the numerous wetlands in the municipality, functional wetlands occur within the central between Mkonjane and Masotheni along the western part of the municipality. These wetlands should be areas of primary management interest for the municipality.

5.1.7.2.2 Degraded wetlands

Pressure on wetlands from agriculture, settlements, and grazing, have to a large extent resulted in the loss of wetland vegetation and has induced soil erosion in the vicinity of wetlands. Large-scale wetlands degradation mainly occurs on western side of the municipality where inappropriate farming practices and overgrazing occurs. It is an obvious knowledge that one of the key wetland management solutions is reduction of livestock populations on tribal land. However, this issue is highly contentious as livestock is traditionally the symbol of wealth in the rural/traditional African society. Thus the management principles and approach for wetlands in the Nqutu Municipality needs to be strategically formulated and presented in order to obtain buy-in and participation from the primary interest groups/land users.

5.1.7.3 Key Environmental Issues

5.1.7.3.1 Ensuring the functionality of wetlands as sustainable ecosystems

Not all of the wetlands within the Nqutu Municipality are important ecosystems and as habitats due to reasons of degradation, size, and proximity to high activity centers. However, functional wetland areas especially those mentioned above need to be made primary conservation areas so as to ensure a continuous functionality of the wetland and a sustained provision of environmental goods and services.

5.1.7.3.2 *Loss of key biodiversity*

Wetlands are important environments in the broader ecological systems of the municipality. There are important vegetation communities in wetland areas that provide the desired continuity between the various ecosystems particularly linkages with river systems. Loss of biodiversity is likely to result in fragmentation of vegetation and consequent loss of flow of genetic diversity in the area. The municipality should conduct a bio-research study that will articulate the living organisms and biological contents of the soil that can promote any form of agriculture practices. This should then be reflected in design maps for easy reference.

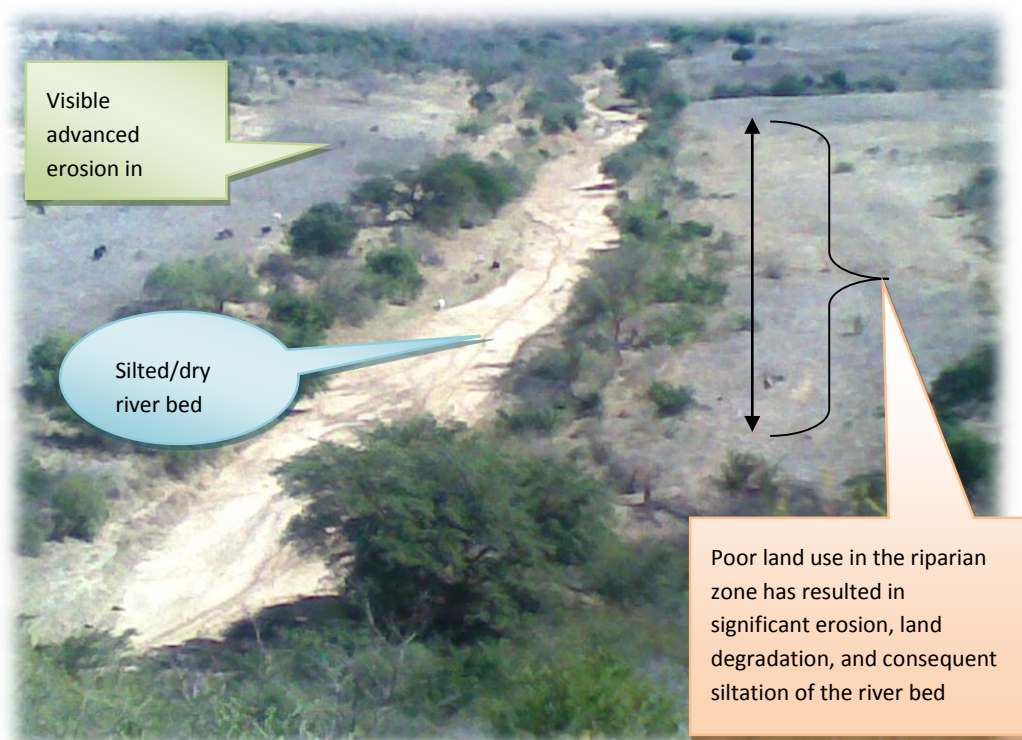
5.1.7.3.3 *Wetlands act as important hydrological sponges*

The quality and quantity of water-flow in natural water systems are influenced by wetlands. Some of the functions of wetlands in this regard are flood control, erosion control and water purification. As indicated earlier, recent wide spread flooding that occurred in many of the municipalities in the past few years has largely been attributed to the loss and degradation of wetlands.

5.1.7.3.4 *Ensuring sustainable good quality water yield*

The Nqutu Municipality is an important 'producer' of water. Some streams and major rivers in the region have their source from the hill west of the municipality serving the game park and other municipalities in the region. Since these rivers originate from the municipality, it should be important to ensure that the quality and quantity of water from the area (both of which are influenced to a significant degree by wetlands) is sufficiently maintained.

Figure 22: Dry basins and evidence of siltation in some of the rivers



5.1.7.3.5 Potential for erosion control and alien plant control

Heavy rainfall, poor water infiltration, and steep slopes, all of which are typical characteristics of the Nqutu Municipality are factors that induce soil erosion (Figure 2). Wetlands have the potential to control the velocity of surface runoff thereby to a large extent controlling erosion.

5.1.7.3.6 Flooding potential in the municipality

The Nqutu Municipality appears to be highly suited for devastating flooding potential in the event of such floods occurring for the following reasons:

- Topographically, the municipality is 'morphologised' in a relatively steep undulating western half, which levels off sharply into a relative flat gentle sloping eastern half. This morphology provides for a high velocity run-off from the west which would abruptly be retarded on reaching the eastern section with the possibility large volumes of storm water build-ups.

The combination of high velocity storm water flows from west and the sudden retardation to this flow in the east as a result of sudden change in gradient and the presence of wetlands are likely to result in sudden, rapid and large impoundments in the form of floods

5.1.8 Competitiveness Assessment using Porter's Model

Porter's model, more commonly referred to as "Porter's diamond", was developed in an attempt to explain why specific industries perform better (is more competitive) in certain nations and why the same industries fail to make any impact in others. In his analysis Porter concluded that nations develop a competitive advantage in certain industries due to the unique interaction of the following factors or elements:

Factor conditions: Refers to the areas' position in factors of production necessary to establish a competitive industry namely basic production factors (e.g. natural resources, climate etc.) and advanced production factors (e.g. labour force, knowledge, capital resources etc.)

Demand conditions (Markets): Refers to area's demand for the industry's product or service. This entails the structure of demand, its size and growth.

Related and supporting industries: Refers to the presence or absence in the area's supplier industries and related industries that are competitive.

Structure of firms and rivalry: Refers to the way companies/businesses are established, organised, managed and the nature of domestic rivalry.

Government: Refers to how Government impacts on competitiveness of the industry.

5.1.9 Competitiveness Assessment of the Agriculture Sector

Agriculture in Nquthu is not a major sector of the economy. Farming is generally on small scale and produce is largely used for household consumption. Extra harvests if any are sold to the neighbours. The table that follows sums up the competitiveness of the agriculture sector.

Table 12: Agriculture Sector Competitiveness Assessment

POSITIVE FACTORS (+)	NEGATIVE FACTORS (-VE)
FACTOR CONDITIONS	
+ Abundant land; + Access roads; + Abundant grazing land	- Poor soil type (not viable for vegetable farming); - Lack of water / rainfall; - Lack of river / streams
FIRM STRUCTURE & RIVALRY (+/-)	
+ New opportunities (sisal, groundnut, sheep farming, cattle farming, etc.);	- Lack of adoption of knowledge by the farmers; - Small scale farmers and not competitive; - Farming not considered as a business - A good number of "non-commercial" producers;
DEMAND CONDITIONS (MARKETS) (+)	
+ Large local population; + Opportunities to supply local retailers; + Immense value chain opportunities; + Relatively easy access to regional markets	- Lack of fresh produce market; - Lack of livestock market
RELATING AND SUPPORTING INDUSTRIES (-)	
+ Existence of farmers association (livestock association, agriculture forum);	- Associations not effectively used to grow the sector;

+ Existence of business chamber	- Business Chamber not effectively in operation
GOVERNMENT (-)	
+ Technical support;	- Understaffed Extension Officers;
+ Financial Support;	- Delay in repairs on broken farm equipment
+ KZN (PSEDs 2009), identified an agricultural corridor traversing Nquthu Municipality	(department of agriculture)

5.2 TOURISM SECTOR

5.2.1 Overview of the Sector

Tourism is regarded as a cross-sectoral industry in that it has linkages with other sectors such as retail, manufacturing, transport, catering, hospitality, etc. As a result, it is difficult to measure the GVA contribution of tourism sector to the local economy. The tourism industry is spread across a number of other sectors.

Information sited from the KZN Top Business indicates that KwaZulu-Natal is now the market leader for domestic tourism in South Africa, as well as number two in terms of international tourism. Tourism contributes 10 percent to the provincial GDP and the tourism sector created 77 000 direct jobs and 154 000 indirect jobs in the Province. As a consequence, KwaZulu-Natal remains the nation's premier domestic tourist destination, with a leading 32 percent share and is the second most popular destination for international visitors.

Annually KZN receives ±891 822 foreign visitors with an average spend R±7 517 per trip per day. The total market value of the sector is R6.7bn. The main overseas source markets are UK, USA, Germany, India and Netherlands. Most of the visitors go to Durban (70.3%) followed by Elephant Coast 22.3%, Drakensberg 15.8%, Zululand 14.5% and Pietermaritzburg 8.4%. Battlefields are not very popular to visitors as only 3.3% of the visit them.

Table 13: Top 10 Foreign Tourism Source Market 2012

KwaZulu Natal's Top Ten Foreign Tourism Source Markets 2012					
1. Swaziland	242 149	28.4%	6. Germany	36 488	3.5%
2. Lesotho	121 367	14.3%	7. India	23 704	2.9%
3. Zimbabwe	66 527	7.9%	8. Netherlands	23 351	2.8%
4. UK	53 877	5.8%	9. Australia	22 619	2.7%
5. USA	46 383	5.0%	10. France	19 804	2.6%

Source: SAT 2013

Table 14: Destinations Visited in KZN by Overseas & African Visitors

Destinations Visited in KZN – Overseas and African Air Departures	
Durban	70.3%
Pietermaritzburg	8.4%
Zululand	14.5%
Drakensberg	15.8%
Elephant Coast	22.3%
North Coast	13.6%
South Coast	8.1%
Battlefields	3.3%

Source: SAT 2013

Tourism in KZN has been identified as a catalyst for economic growth and together with the rapid growth in the sector, presents a variety of investment. However, Nquthu Municipality has not benefited much from the tourism sector despite the fact that the municipality is rich with historical sites. The sector has not contributed much to the municipal GVA and employment opportunities. When interviewed, the municipal tourism officer noted that the tourism sector has been ignored and yet it hosts some of the internationally recognized historical sites. The officer further noted that the municipality has an opportunity to benefit if more effort and attention is offered to the sector.

5.2.2 Spatial Distribution of the Sector

Tourism sector in Nquthu is dominated by historical sites and accommodation facilities in a smaller scale. There are a couple of historical sites that are situated in various parts of the municipality. Most of these sites are easily accessible and are maintained. There are no many accommodation facilities in Nquthu. There is one bed and breakfast facility that is a Three (3) Star and registered with Dundee Tourism Association situated in Town of Nquthu. There is also a well-established lodge at the Nyoni Rock. Nquthu does offer a range of well-established accommodation facilities apart from these two. Lack of accommodation facilities is detrimental to the growth of the industry as visitors or tourists may not want to spend time in Nquthu since the place cannot offer accommodation should they need it.

5.2.3 Tourism Products

5.2.3.1 Accommodation Facilities

Accommodation is vital in the tourism industry. It offers a place for visitors to sleep or rest after / before touring or visiting Nquthu. Visitors or tourists are likely to come to Nquthu if the area is well served with accommodation facilities. Nquthu hosts a lodge and a few bed and breakfast facilities. Isandlwana Lodge is an upmarket facility built on the Nyoni Rock below where the Zulu commander stood during the Battle of Isandlwana on 22 January, 1879. It is built of native stone with a thatched roof and offers twelve bedrooms, all en-suite, with private balconies and sweeping views of some of the most magnificent scenery in Zululand. Entendeni is one of the established B & B in the area and has nine rooms. It is a three star B & B and the only registered and reputable located within the Nquthu Town. There are other B & B's but are not rated by the accommodation body.

5.2.3.2 Archaeological Sites

The landscape in Nquthu Municipality area is dotted with hundreds of recorded archaeological sites of varying time periods and sizes. This region has been occupied by different human communities dating as far back as the Early Stone Age cluster (2.5 million to 250 000 years ago) followed by the Middle (250 000 to 25 000 years ago) and Late Stone Age (the last 25 000 to colonial times). The Early Farming Communities also occupied this area since the Early Iron Age (1 600 to 1000 years ago) to Late Iron

Age (1000 to colonial times). The significance of this archeological history is less known. There is an opportunity to develop the archeological information into a tourism product.

5.2.3.3 *Heritage Tourism*

There are many heritage sites in Nqutu that are suitable for development as tourist and educational resources. These range from rock art site, Iron Age Village Settlements as well as Historical Zulu State Capitals. The area is also famous for its numerous Battlefields dating as far back as the 1879 Anglo-Zulu War; the Anglo-Boer War and the Bambata Rebellions. Most of the Battlefield sites are developed and already accessible to the public. In the meantime, the Provincial Heritage Agency, Amafa Kwa-Zulu-Natali is yet to commission most of these sites as provincial and national heritage sites. Most of them were decommissioned in the early 1990s for the purpose of redressing the biases that were there before 1994.

Since most sites are sensitive and vulnerable to potential uncontrolled visitor influx, it is highly recommended that members of the public should not be encouraged to visit the sites prior to development and implementation of an appropriate management plan for the sites. Such an effort may be conducted in consultation with the Amafa Kwa-Zulu-Natali and the South African Heritage Resources Agency as stipulated in National Heritage Resources Act (1999) and the KwaZulu-Natal Heritage Act (No. 10 of 1997).

5.2.3.4 *Anglo-Zulu War Monuments*

Some of the well-developed and preserved heritage sites in Nqutu consists of memorial, battlefields and gravesites associated with the Anglo-Zulu war of 1879. They are as follows:

Isandlwana Battlefields of 1879 (Location S28 19' 30" E30 34' 00"): Two of the most famous and pivotal Anglo-Zulu battles took place at Isandlwana and Rorke's Drift. Marked by the sphinx-like Isandlwana Hill and covering several hundreds of hectares, Isandlwana was the site of the worst British defeat by the Zulu *Impis* during the Anglo-Zulu War in 1879. There are gravesites and memorials dedicated to the fighters who fell on this site. The battlefields today are well developed and accessible as well as well published from the historic and military point of view.

Prince Imperial Memorial: The area is marked by large encircling wall. This monument is dedicated to the French Prince Louis Napoleon and two British soldiers who were killed during the Anglo-Zulu war in June 1879.

Rorke's Drift (Location: S28 21' 15" E30 39' 15"). After the defeat of the British at Isandlwana, another Zulu battalion attempted to take over Rorke's Drift but failed with devastating losses. A record eleven Victoria Crosses was awarded for bravery during this battle. Rorke's Drift Memorial Monument was dedicated to the British soldiers who held fort during this battle. There are three Mass graves of the Zulu soldiers on site. This site has an interpretation Museum, the Rorke's Drift Museum;

Fugitives' Drift (Location: S28 23' 15" E30 36' 15"). The Fugitive's Drift marks another aspect of the battle of Isandlwana, being located between Isandlwana and Rorke's Drift. The drift is associated with the events that occurred during the battles and retreat of the British soldiers from Isandlwana. These include the well-marked Fugitive' Trail used by the British soldiers who managed to escape from the Isandlwana camp;

Nondweni: The Sulutshane and Magogo Hills were recognized as historic sites during the Centenary celebrations of the Anglo-Zulu War. These hills were observation points where some British soldiers stood helplessly during the assault on Isandlwana in 1879.

5.2.3.5 *Anglo-Boer War sites*

The town of Nqutu was an important site at the outbreak of the Anglo-Boer War in 1899. There are several sites that were previously listed as National Monuments in Nqutu. These include the original Nqutu Magistrate' Office and Courthouse. This building signifies the beginning of the war in 1899. The British Magistrate came under attack on the 20th of October 1899 when the Boers took over Nqutu town. Part of the Court House Building is still in use today. The building is a good example of Victorian Government architecture.

Several other settlements in Nqutu Municipality such as Nondweni, Qedusizi, St. Pauls', Esigodini and Molefe have a host of historic structures that could be reviewed by Amafa KZN for heritage status.

Nquthu is undoubtedly rich with the history of an important Anglo-Zulu War. The municipal area accounts for a number of historical war sites that marked the end of the British occupation in the Zululand. The history although appears to be documented, the municipality has not fully capitalized on the opportunities posed by these products. There is a need to work closely with other relevant stakeholders to develop a clear product line on these sites. The end goal is to market these resounding tourism opportunities to make Nquthu a destination of choice especially for tourists or visitors interested in history, education and monuments.

Interviews carried out in the tourism sector pointed out the following as challenges that hinder growth of the sector:

- Lack of road names which makes it difficult for visitors or tourists to navigate their ways;
- Poor roads (i.e. most roads to the sites and accommodation facilities are not tarred);
- Limited tourism budget in the IDP;
- Lack of tourism information centre;
- Lack / poor tourism signage which undermines self-drive;
- Lack of marketing;
- Lack of tourism strategy / plan that can guide development of the sector

5.2.4 Competitiveness Assessment of the Tourism Sector

The tourism sector in Nquthu has not been exploited to benefit the municipality and the general community despite its immense history. This is attributed to a number factors. The following table summarizes those factors.

Table 15: Tourism Sector Competitiveness Assessment

POSITIVE FACTORS (+)		NEGATIVE FACTORS (-VE)	
FACTOR CONDITIONS			
<ul style="list-style-type: none"> + Hundreds of recorded archaeological sites; + Many heritage sites; + Anglo Zulu War Monuments; + Anglo-Boer War Monuments; + Nquthu sites falls within the battlefields route 		<ul style="list-style-type: none"> - Products not well packaged; - Lack of tour guides; - Lack of information centre 	
FIRM STRUCTURE & RIVALRY (+/-)			
<ul style="list-style-type: none"> + Opportunities exist (accommodation, cultural tourism, arts & crafts, food, etc.); +/- Well established lodge; 		<ul style="list-style-type: none"> - Lack of accommodation facilities; - Products included as Dundee's 	
DEMAND CONDITIONS (MARKETS) (+)			
<ul style="list-style-type: none"> + Increase in local tourism; + Relatively easy access to regional markets 		<ul style="list-style-type: none"> - Lack of / poor marketing of the products; - Limited attention to skills development; - Seasonal nature of demand (and specific periods in season); - Lack of international tourists; 	
RELATING AND SUPPORTING INDUSTRIES (-)			
<ul style="list-style-type: none"> + Community Tourism Organization; + Tourism Centre 		<ul style="list-style-type: none"> - Tourism Association not functioning; - Tourism Centre not yet in operation 	
GOVERNMENT (-)			
<ul style="list-style-type: none"> + Existence of Municipal Tourism Practitioner; + Clear National Tourism Strategy 		<ul style="list-style-type: none"> - Lack of tourism budget from municipality; - Little focus has been directed to the tourism sector; 	

The assessment reveals that there are an array of negative and positive factors that impact on the tourism sector. The competitiveness assessment the tourism sector is diagrammatically summarized below:

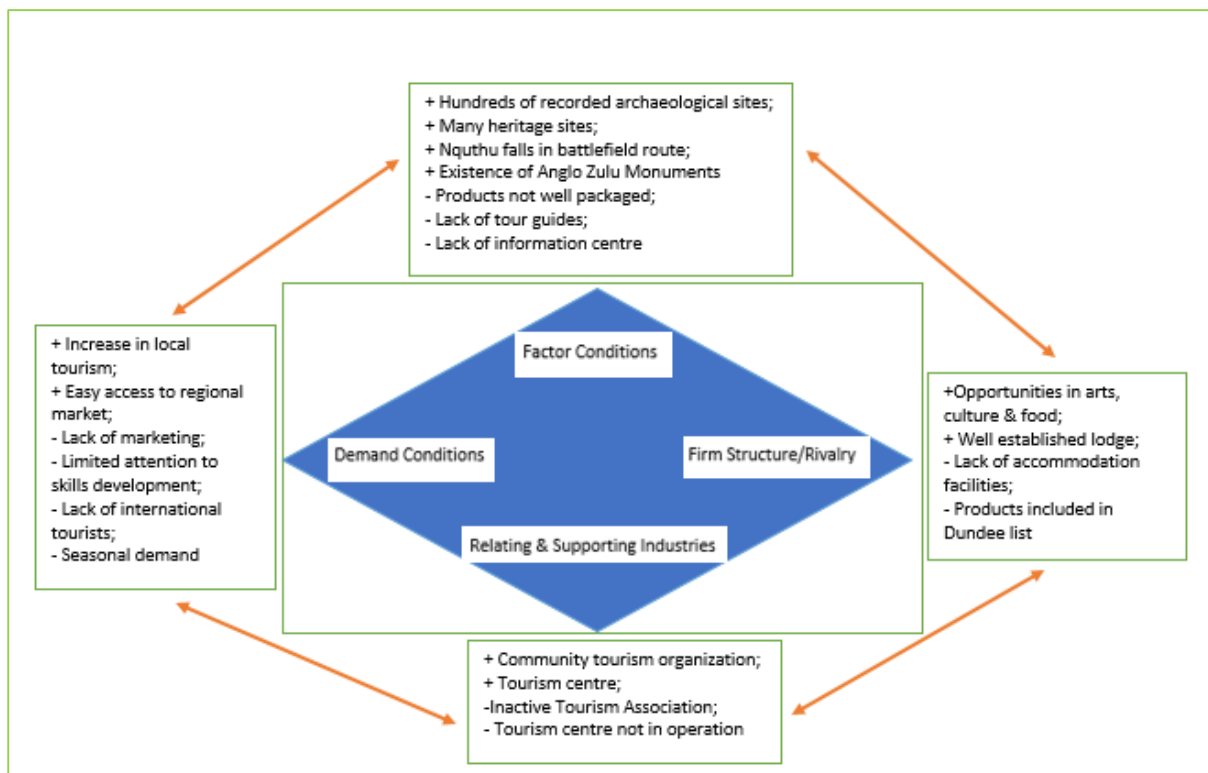


Figure 23: Tourism Sector Porter's Diamond Competitiveness Assessment

5.3 COMMERCIAL / TRADE SECTOR

5.3.1 Overview of the Sector

Based on the Standard Industrial Classification (or SIC) system, the commercial sector is made up of the following categories:

- Community, social and personal services;
- Financial intermediation, real estate and business services; and
- Wholesale and retail trade, catering and accommodation

This classification system has also been used for the analysis of the sector in this report.

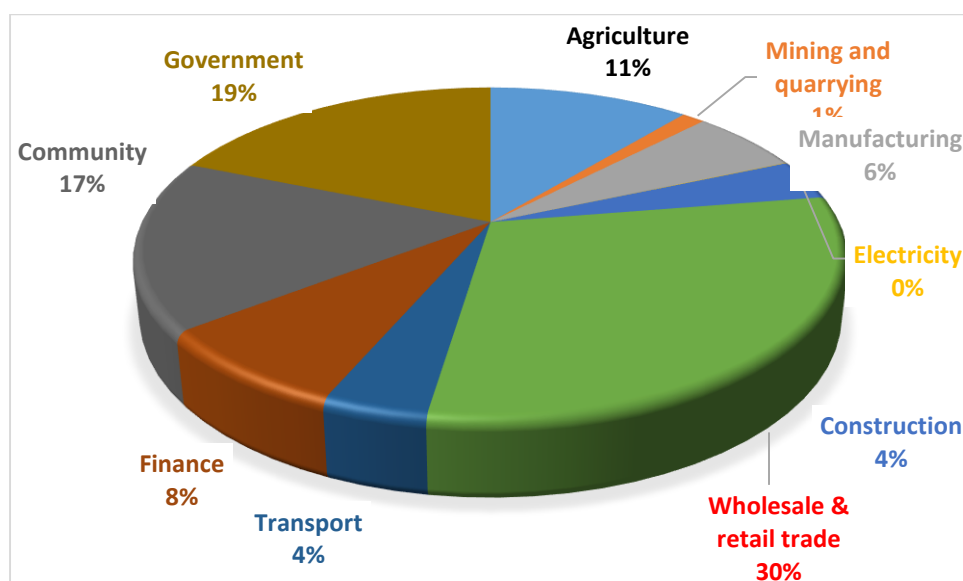
The commerce sector is the main contributor of the municipal GVA and employment opportunities. The sector contributes approximately 48.1% (wholesale 27.2, finance 12.4 and Community 8.5) of the total municipal GVA. The commerce sector has been growing over the years as illustrated in **table 16** below.

Table 16: GVA Contribution by Commerce Sector

Sector	2009		2013	
Agriculture	105,7	10,2	166,4	10,9
Mining and quarrying	27,7	2,7	40,4	2,7
Manufacturing	128,1	12,3	153,0	10,0
Electricity	4,7	0,5	8,4	0,6
Construction	17,3	1,7	21,0	1,4
Wholesale & retail trade	225,1	21,7	414,4	27,2
Transport	82,4	7,9	103,0	6,8
Finance	131,0	12,6	188,7	12,4
Community	98,2	9,5	29,6	8,5
Government	217,6	21,0	297,8	19,6

The sector is a major source of employment in Nquthu as it employs approximately 55% (i.e. wholesale 30, community 17 and finance 8) of the available Nquthu labor-force. Most of these people are employed in the Nquthu Town which is the main economic hub of the municipal area. **Figure 23** below illustrates the percentage of people employed by the various sectors in the economy of Nquthu.

Figure 24: Employment by Commerce Sector



5.3.2 Spatial Distribution of the Sector

5.3.2.1 Nquthu Town / CBD

The commerce sector is very visible in the Nquthu Town. The town is a beehive of commercial activities offering almost all the goods and services you can think of in the sector. The Nquthu Plaza which occupies approximately the 4200m² serves as the centre for the main commercial activities in Nquthu Town and almost the entire municipality. The plaza offers the customer enough parking spaces and houses the grocery chain stores such as the Shoprite, furniture outlets of different brands, financial services, building material, clothing outlets, postal services, etc. The plaza is located next to the taxi rank making it a convenient spot for shoppers who are coming from the rural parts of Nquthu and other areas outside the CBD. Other parts of the CBD along the main road, R68 and auxiliary roads around the CBD contain commercial buildings that also cater for commercial sector. Chain stores such as KFC, Boxer store, Cash and Curry and other SMMEs in the business of clothing, furniture, fabrics, bed & breakfast facility, grocery shops, funeral services, et car found in the various parts of the CBD. There are also two garages namely Engen and Total that serve the motorists operating in Nquthu and those on transit.

5.3.2.2 Rural Service Centres

Apart from the CBD, there are other rural service centres that serve commercial and its related services. Such centres provide services to the adjacent rural areas, and typically have basic engineering infrastructure, commercial facilities, together with community facilities, schools, local markets, transportation nodes and basic public administrative functions and small scale industrial and administrative activities. These centres are:

- **Hlathi Dam:** Which is situated on the Western Boundary of the Municipality on the R66 leading from Nongoma to De Jagers Drift in Endumeni Local Municipality. There is a considerable population in this node. The node is organized and quite urbanised.
- **Masotsheni:** This node is situated near the western regions of Nquthu LM near the St. Augustines Missionary. The area is fairly serviced. This centre serves a relatively small number of people who are situated along the road leading in a western direction. A very spread-out settlement is situated just to the east of Masotsheni on large plots where land use activities mimics Urban Agriculture. The node serves more than the direct population and also services a community on the road to Rourke's drift.
- **Ndindindi:** Is situated on the P54 leading from Nquthu in a Northerly direction connecting Nquthu Town with Abaqulusi and Emadlangeni Municipalities. This node is situated to the east of Mkhonjane near the Abaqulusi LM border. This node serves a fairly large number of residents which are all spread out along P54 main thoroughfare.
- **Ngolokodo:** Is situated in the most northern parts of the municipality and is the third largest settlement after Nquthu and Nondweni. A very large number of people are serviced and it serves as the main service node for the northern areas.
- **Nondweni:** This node is the second largest settlement in Nquthu Town. It serves as the largest Rural Service Centre in the Municipality. The node however is affected by the riverine areas, with no large land provision around existing facilities making it difficult to expand the node.



Photo: Commercial Facilities found in Nquthu CBD



Photo: Commercial Facilities found in Nquthu CBD

The centres in the rural areas are growing and should be encouraged to develop. The development of these service centres will be beneficial to the municipality and residents in amongst others will cut down transport costs for the shoppers thereby increasing their savings to buy more goods, reduce economic leakage and improve the circulation of money in the rural nodes. The development will also address poverty and increase job opportunities. It is therefore necessary to encourage the implementation of capital projects within these areas.

5.3.2.3 Rural Service Centre Satellite

These nodes are typically located in underdeveloped areas and emerging settlements where there is population densification occurrence. Areas with such characteristics are Haladu, Hlazakazi, Isandlwana, Jabavu, Jama, Mafitleng, Mkhonjane, and Mphazima. Centres in these areas have basic administrative functions and services offered are highly localized. Services such as schools, postal services, pension pay points, public phones, informal markets, transport facilities and limited commercial enterprises are common in these areas. As the lowest nodal order, these centres are normally located on or near transportation routes, which provides access to higher order nodes.

5.3.3 Growth of Retail Shopping Space

Demand for shopping space is indicative of perceived development potential of the area. The Nquthu Plaza constructed in less than a decade ago has catapulted the economy of Nquthu. The plaza stimulated other sectors of the economy thereby addressing some of the suppressing issues such as unemployment, reduction of poverty levels and bringing services closer to the people. The plaza is fully occupied and there is still demand for commercial space. Information received in the interviews suggest that there is a new shopping centre that is under construction. The additional shopping centre

shows that Nquthu is growing as investors are ready and willing to invest in the area. The additional shopping centre is likely to shape the economic landscape of Nquthu to a different level.

Nonetheless, some key players in the commercial sector when interviewed pointed out the following as some key challenges that hinder growth of the sector:

- Lack of land in the CBD (land is owned by Department of Land Affairs);
- Nonexistence / poor drainage systems;
- Poor status of roads (some roads in the CBD are gravel);
- High property rates;
- Lack of public toilets;
- Lack of / poor refuse removal services;
- Lack of communication on interference of services rendered by municipality (e.g. water & electricity);
- Lack of understanding of mandate of government spheres at municipal levels;
- Low level of education;
- Lack of Business Support

5.3.4 Competitiveness Assessment in the Commercial Sector

Table 17: Competitiveness Assessment of the Commerce Sector

POSITIVE FACTORS (+)		NEGATIVE FACTORS (-VE)	
FACTOR CONDITIONS			
+ Demand for land in the CBD; + Good population/high pedestrian movement in Nquthu Town;		- Poor drainage systems; - Lack of public toilets; - High property rates; - Lack of / poor refuse removal services; - Lack of land in CBD to expand commercial activities; - Low level of education;	
FIRM STRUCTURE & RIVALRY (+/-)			
+/- Array of commercial and retail services offered in CBD; + Large number of SMME's & informal traders; + Construction of new shopping centre;		- Commercial & retail activities concentrated in Nquthu Town (CBD); - Lack of serious commercial activities in other nodes; - Few local business owners	
DEMAND CONDITIONS (MARKETS) (+)			
+ Good population; + Increase in demand for shop space;		- Poor purchasing power by rural population/market	
RELATING AND SUPPORTING INDUSTRIES (-)			
+ Existence of business chamber; + Existence of other business associations + Well established shopping mall at Nquthu Town		- Ineffective business chamber; - Limited support services; - Goods imported from outside Nquthu	
GOVERNMENT (-)			
+ LED and other related capacity in Nquthu; + Support available from uMzinyathi DM		- No dedicated staff for commerce / business sector in Nquthu LM; - Lack of understanding of mandate of government spheres at municipal levels; - Lack of business / commerce support framework; - Limited provision for supporting the SMMEs	

The above competitiveness assessment is diagrammatically reflected below:

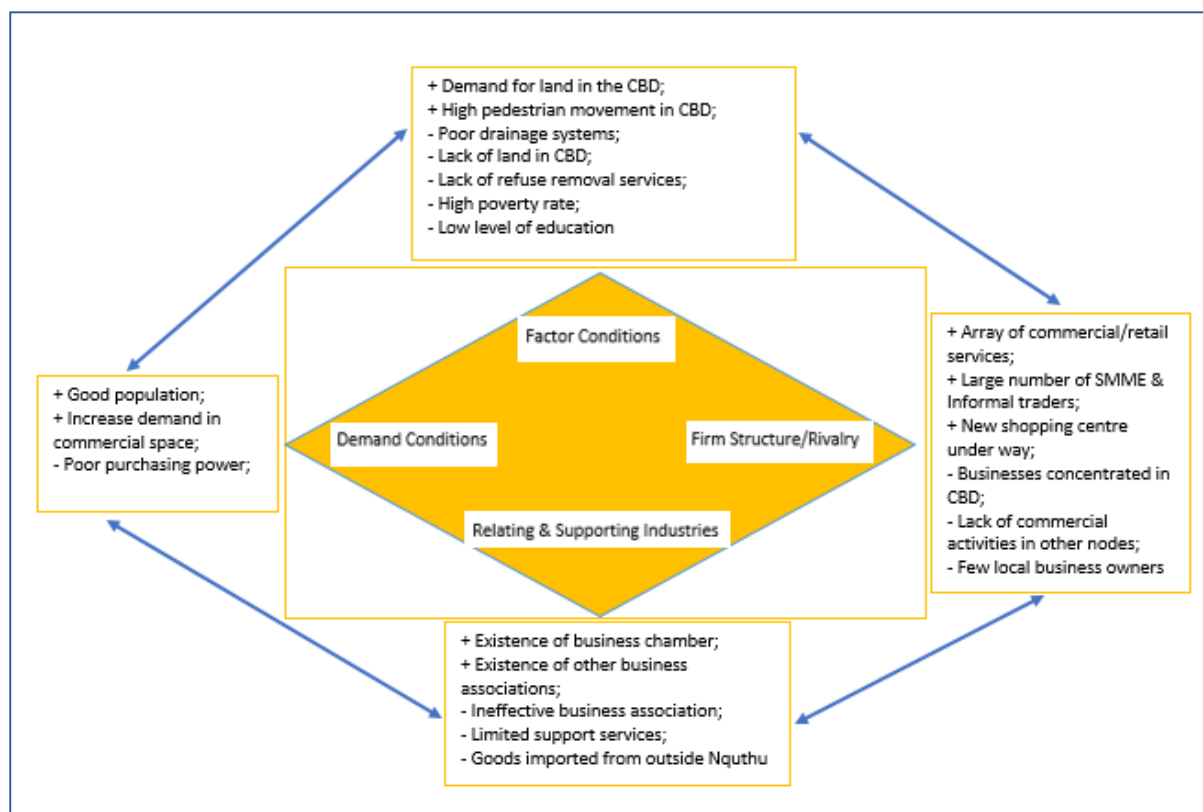


Figure 25: Commercial Sector Porter's Diamond Competitiveness Assessment

5.4 INFORMAL SECTOR

5.4.1 Overview of the Sector

Informal trading has been explained in several terms. During the apartheid era, the terms informal, black and illegal were often treated almost synonymous with unwanted economic activity. In that respect, most informal traders, especially in urban centres was defined as illegal; where most black businesses were treated as completely illegal. Nonetheless, since the early 1990s, two of these terms have been dropped and only the term informal has remained to denote a positive approach to this trading. The following are some of the common definitions of informal trading / economy.

Keith Hart first coined the term “informal sector” in his study of the economic activities of the urban economy of Accra, Ghana, in 1973. Hart used the term to refer to the low income activities of the urban poor who could not find wage employment.

The Central Statistical Organisation (India) defines informal economy as all unincorporated enterprises and household industries (other than organised ones) which are not regulated by laws and which do not maintain annual accounts or balance sheets constitute the unorganised sector³.

The informal economy in China refers to small-scale units outside the legally established enterprises. The definition distinguishes three types of such enterprises namely micro-enterprises, family enterprises and independent service persons⁴.

Despite the fact that there are incongruities on the definition of the informal economy, most definitions nevertheless emphasize the informal economy to comprise the following characteristics:

- Small scale, low level of organization and low productivity;
- Happens outside of state licensing and regulation framework; and
- Legal and economically sound activities (differentiating the informal economy from hidden or underground economy)

Nquthu is a rural municipality that is characterized by high unemployment and poverty levels. The prior analysis suggests that the municipality is experiencing outward migration where its people are moving to other areas in search of employment opportunities and better living conditions. The informal sector is known as a substantial source of income to less educated and unemployed people. The municipal Informal Traders’ Strategy (2011) notes the following as advantages of the sector in Nquthu:

- It absorbs workers who would otherwise be without work or income. Most people enter the informal economy in Nquthu town not by choice but out of a need to survive. Especially in circumstances of high unemployment, underemployment and poverty, the informal economy has significant job and income generation potential because of the relative ease of entry and

³ Fact finding study on the Informal Economy, SIDA, 2004

⁴ Fact finding study on the Informal Economy, SIDA, 2004

low requirements for education, skills, technology and capital, but the jobs thus created often fail to meet the criteria of decent work.

- It helps to meet the needs of poor consumers by providing accessible and low priced goods and services.
- It serves as an incubator for business potential and an opportunity for on-the-job skills acquisition. In Nquthu it is a transitional base for accessibility and graduation to the formal economy.

Informal trading in Nquthu is characterized by, second hand clothes dealers, fruit and vegetable sellers, hairdressers, barbers, street food vendors, street non-food products vendors, bricklayers and stonemasons, tavern and shebeen operators, motor vehicle mechanics and fitters, spaza shop owners and workers, tailors, dressmakers and hatters, Mr phone dealers, shoe makers, gardeners, garbage pickers, mielie cooks, newspaper vendors, taxis drivers, car and minibus washers, live chicken sellers, second-hand tyre sellers and fixers and welders.

In terms of spatial dynamics, the Nquthu Informal Traders Strategy (2011) classified informal trading in Nquthu into the following seven categories:

Stalls trading: Refers to informal traders that undertake their trading on temporary and semi-permanent structures. The structures are metal or brick that are constructed on the identified pavements, markets or public spaces. The stalls are constructed by the municipality and rented out to traders that pay rentals every month.

Itinerant trading: Commonly known as mobile trading is a type of trading where traders wander around selling their merchandise. These types of traders do not have a fixed area where they sell their goods but rather move to areas especially taxi ranks, roads or busy areas where they see potential for quick sales

Street pavement trading: Refers to traders who sell their merchandise or services on the roadside, pavements or walkways.

Bakkies trading: These traders target one spot of operation or move to other busy areas such as flee markets depending on their target market. These kind of traders expose their merchandise in their open vans/bakkies and offload on sale or at times offload a few items on the ground to sale to customers

Kiosk and containers trading: Refers to informal trading that is undertaken in a kiosks or containers.

Informal business in transition: Refers to informal traders that have progressed to a level that they operate in well-structured commercial building where they either rent or own the premises.

Others: These include an array of informal trading activities such pavement/backyard mechanics, welders, gardening, taxi and minibus businesses and backyards informal farming.



Photo: Informal traders in Nquthu Town

The informal trade is an important sector of the economy as it addresses the national objectives such as employment and poverty. It is therefore important that the municipality provides support that can thrive the sector. However, the municipality ought to understand the challenges faced by the sector before it can intervene.

When interviewed, some of the stakeholders in the sector identified the following as some of the challenges that encounter informal traders:

- Lack of trading facilities (trading stalls / kiosks, informal traders market, demarcated sites);
- Lack of ablution facilities;
- Lack of trading regulations;
- Lack of refuse removal services;
- Lack of water and electricity;
- Lack of business support (capacity building, marketing, information);
- Difficulties in obtaining trading licence/permit;
- Narrow view of informal economy;
- Lack of synergies between municipal officials and informal traders;

5.4.2 Spatial Distribution of the Sector

Informal trading is a vibrant sector and can grow very fast depending on how busy the place is. Informal traders tend to operate in areas where there is high level of pedestrian movements. In the case of Nquthu as it is most likely to be the case, informal trading activities are highly concentrated in the CBD and the taxi rank. The town is vibrant with high levels of pedestrians coming from the rural parts of Nquthu and neighbouring municipalities to access commercial facilities at the plaza or other chores in the CBD. Most of the shoppers are dropped by taxis in the CBD or at the taxi rank making the areas prime spot for informal trading. To sale their merchandise, traders position themselves in various road pavements and provided informal trading infrastructure.

However, it is noticed that some of the traders are operating on sites / pavements without any trading stalls hence exposing them to sun and rains. There are a few trading stalls in some parts of the CBD but some of them are deserted since they are not strategically located. Conversely, several trading stalls have been erected in the taxi rank and are in operation.

Informal trading is also active in Nondweni but at a lower level compared to Nquthu Town. There are also little informal trading in other rural parts of Nquthu.

It is evident that majority of the informal trading activities are concentrated in Nquthu Town. The town offers a range of commercial activities making it convenient for shoppers to flock in the area hence introducing a vibrant informal trading opportunity. There is however, a need to promote other rural nodes so that the residents in those areas can access similar services.

5.4.3 Competitiveness Assessment of Informal Sector

POSITIVE FACTORS (+)	NEGATIVE FACTORS (-VE)
FACTOR CONDITIONS	
+/- High pedestrian movements in Nquthu Town; + Growing informal trading	- Pressure for municipality to provide services in town;
FIRM STRUCTURE & RIVALRY (+/-)	
+ Informal traders sale a range of products;	- Informal trading concentrated in Nquthu Town; - Majority of traders are survivalists;
DEMAND CONDITIONS (MARKETS) (+)	
+ Good population buying goods from informal traders;	- Majority of rural population is of low income;
RELATING AND SUPPORTING INDUSTRIES (-)	
+ Existence of business chamber; + Existence of other business associations + Taxi rank in Nquthu Town; + Nquthu Plaza	- Narrow view of informal economy;
GOVERNMENT (-)	
+ LED and other related capacity in Nquthu;	- Lack of trading facilities;

+ Existence of Informal Traders Strategy;	<ul style="list-style-type: none"> - Poor drainage systems; - Lack of / poor refuse removal services; - Lack of ablution facilities;; - Lack of trading regulations; - Lack of water and electricity; - Lack of business support (capacity building, marketing, information); - Difficulties in obtaining trading licence/permit; - Lack of synergies between municipal officials and informal traders;
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The diagram that follows summarizes the above assessment.

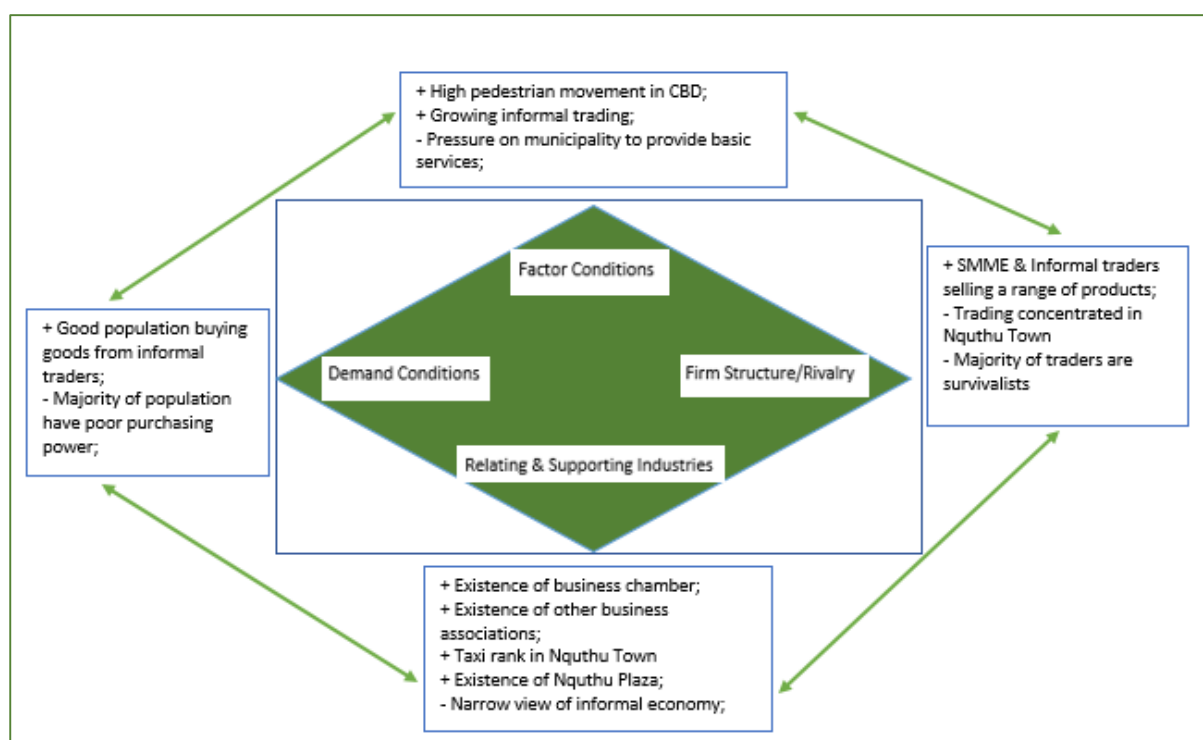


Figure 26: SMME / Informal Sector Porter's Diamond Competitiveness Assessment

5.5 OTHER ECONOMIC SECTORS

5.5.1 Government Sector

It is evident from the prior analysis that the government is one of the major source of employment and GVA in Nquthu. The analysis showed that the sector is the second most contributor in employment as it employs 18.8% after wholesale 30%. The government is also the second most contributor to the municipal GVA, contributing approximately 19.6% after wholesale 27.2%. The government contributes considerably to the municipal economy because Nquthu serves as a provincial administrative centre, with offices of the Departments of Education, Agriculture and Environmental Affairs, Works, Health, Justice and Welfare, Department of Transport, Safety and Security (SAPS), Post Office, as well as a variety of social infrastructure.

Apart from providing employment opportunities and contributing to the municipal GVA, the government is critical to the economic growth as it offers a range of services such as roads and other bulk services, health facilities, welfare, agriculture, security, skills development, etc. The government services are concentrated in Nquthu Town and as such, it is important to take some services closer to the people. The municipality has facilitated the spreading of some government services through the establishment of two (2) Thusong Service Centres located within Jama and Molefe Traditional Councils. These centres have however not been in operation due to lack of finalization of agreements with respective Traditional Authorities.



Nquthu is located in crossroad of provincial roads, this place the node at a strategic position as an economic powerhouse and has the potential of growing as a Service Support Hub. Additional potential lies in the development and improvement of the commercial and property sector.

5.5.2 Transport Sector

The transport sector has distinct components namely railway, road freight, sea, air and public transport. The sector contributes only 6.8% to the municipal GVA and employs only 4.1%. In Nquthu public and road freight transport are the key transport components. These facets should be enhanced to facilitate the municipal's economic growth. Road freight is in the form of trucks that come from outside Nquthu dispatching cargo in the commercial stores and bakkies that that park on the road side selling agricultural produce. Public transport (i.e. taxis, pick-ups and buses) are the main mode of movement for the majority of the Nquthu population.

The municipality has improved the accessibility of roads within its jurisdiction. According to the IDP 2014/15, the municipality has five taxi ranks of which four are well established and one is informal. The taxi ranks connect and distribute to different places of the area. This has made good connectivity from Nquthu to various neighbouring towns.



Photo: Taxi rank at Nquthu Town

Following are the challenges facing the transport sector:

- No fence at the taxi rank making it unsafe

6 SPECIAL PROJECTS / INITIATIVES

After engaging the municipal staff and perusing through the IDP 2014/15, the team identified the Nquthu Tourism Office as the only project that could be considered as a special initiative. However, when the team perused through the KZN Top Business Website⁵, it identified an array of potential projects for Nquthu Municipality. These projects are highlighted below.

6.1 RESUSCITATION OF NQUTHU TOURISM OFFICE

Tourism sector in Nquthu has been lagging behind in terms of contribution to employment opportunities and economic growth. The tourism activities in the municipal area are not well coordinated and a recognized point of contact for visitors or tourist is non-existence. With this challenge, the municipality appointed a tourism practitioner that was mandated to re-energize the sector. With its rich historical sites and Nquthu falling within the famous battlefield, the municipality through its tourism officer decided as a starting point, to resuscitate the tourism office. The office has been refurbished and now awaiting installation of furniture and its associated equipment to commence operation. The office will be a point of contact for the tourism sector players and a source of information for the visitors.

6.2 ANCHOR PROJECTS

KZN Top Business identified the following as potential anchor projects⁶ in Nquthu that have the potential to grow the economy of Nquthu:

- Traditional Hub: Cultural Village, Arts and Craft Centre, Indlamu Academy, Exhibition Centre etc.;
- St Augustine Spring Water Project;
- Hotel Resort Project;
- Airstrip Development;
- Further Education & Training Centre;
- Stones Crushing Plants;
- Agricultural Projects: Chicken Farming, Cattle Farming, Piggery, Mushroom Plantations etc.;
- Industrial development based on agro-economy;
- Commercial development;
- Decentralized point for local administration of provincial and local government services;
- Integration with major urban centres such Dundee and Vryheid;
- Housing development

The municipality has an opportunity to pursue some of these projects. The municipality can facilitate the development of feasibility studies or business plans to determine their viability.

⁵ <http://www.kzntopbusiness.co.za/site/nquthu-municipality>

⁶ <http://www.kzntopbusiness.co.za/site/nquthu-municipality>

7 INVESTMENT OPPORTUNITIES IN NQUTHU

The terms of reference (TOR) requires that the LED Strategy should contain a chapter that provides an overview of the municipal investment opportunities. It is under this premise that this report presents a summary of the investment opportunities in Nquthu. It should be noted that the investment opportunities is a culmination of the prior sector analysis.

7.1 DEFINING INVESTMENT

Investment entails all commitments of financial and or capital assets by a party in order to gain profitable returns in the form of interest, income or appreciation of the value of the instrument⁷. There really isn't a one-size-fits-all formula that can be followed for optimizing the chances of attracting investment⁸. Each investor is different and faces challenges and issues that can be overcome only through creativity, perseverance and resolve. As a public institution, Nquthu Municipality is considered as an investment facilitator to the private sector as it is supposed to create a conducive environment for investment through enhancing the political and economic conditions of the municipal area.

7.2 INVESTMENT OPPORTUNITIES

A report⁹ on KZN Sector Assessment prepared by Deloitte summarized market attractiveness by sector. It shows industries such as metal fabrication, plastics and chemicals, agro-processing, tourism, culture, transport and logistics and energy are expected to grow well into the medium to long term. The table that follows illustrates:

⁷ Sullivan, Arthur; Steven M. Sheffrin (2003). Economics: Principles in Action in KZN Investment Strategy, 2010

⁸ <http://venturebeat.com/2011/04/26/4-essential-ways-to-attract-investors/>

⁹ KZN Sector Assessment, Sector Policies, Objectives, Opportunities & Potential Review (Deloitte)

Table 18: Market Attractiveness by Sector

Sectors	Market Attractiveness						
	Market Growth (Constant prices 2000-10)			% Δ in jobs/GDP intensity	% Δ in jobs/capital intensity	Trends/Demand Drivers	
	KZN	SA	Int	2000-10	2000-10	SA	Int
Agriculture	1.9	1.7	1.4	-10.3	-8.7	4	4
Manufacturing	2.2	2.9	5.8	-3.3	-1.4	4	3
Metals fabrication	3.0	3.0	7.3	-2.5	0.6	5	5
Automotives	3.7	3.3	8.5	-6.6	-6.0	4	3
Clothing and textiles	1.4	2.6	3.2	-6.8	3.3	3	3
Forestry, paper and pulp	0.4	0.8	1.7	-3.1	-5.6	4	3
Plastics and chemicals	2.2	2.0	6.8	-1.5	-0.5	5	4
Food (Agro-Processing)	3.1	4.4	7.8	-5.5	-2.0	5	5
Beverages	0.2	-1.4	7.3	3.4	1.8	4	4
Machinery	3.0	5.1	6.1	-3.0	-0.7	4	4
Electrical Machinery	2.6	2.9	6.6	-4.6	-2.4	4	3
Furniture	2.5	6.2	3	-8.9	-2.6	5	3
Electricity, Gas & Water	1.4	1.8	4.1	-0.6	-3.3	5	4
Tourism	3.0	2.1	7.5	0.1	3.0	5	3
Cultural (Crafts,music and film)	3.0	2.8	5	6.8	0.6	5	3
Transport & logistics	4.0	3.4	9	-1.5	-0.6	5	3
Mining	-2.4	0.2	7.8	2.8	-0.2	4	5
Construction	7.0	8.3	4.5	-8.1	-9.0	4	3
Communication	7.8	7.4	8.2	1.4	-0.7	3	5
Financial Services	7.9	7.5	2	-3.5	0.3	3	4
Wholesale & Retail Trade	4.0	3.1	4	-1.6	-1.9	3	4
High level services (BPO)	4.7	4.6	3	5.3	7.9	4	5

Source: KZN Sector Assessment by Deloitte

Note: Ranking system for trends and demand drivers as follows:

1. No growth expected
2. Slower rate of Growth
3. Moderate growth expected
4. Strong Growth expected only in the short term
5. Strong Growth expected in the medium to long term

The sectors that are anticipated to grow well into medium and long term as illustrated in **table 18** above are agro-processing, tourism and culture. Interestingly, the sector analysis shows that Nquthu Municipality has competitive advantages in the agriculture, tourism and commercial sector. There are investors that are currently participating in these sectors but the opportunities in these sectors have not been maximally exploited. The Municipality can therefore promote itself as an attractive area to investors in agro-processing, tourism and culture sectors.

In terms of economic infrastructure, the priority interventions necessary are;

- Road-surfacing and developments on the many routes in and around Nquthu Municipality;
- Agri-processing factory space, trading and business premises;
- Tourism infrastructure;
- Irrigation and other farming infrastructure;
- Energy infrastructure;

- Telecommunications (fixed line and cellular) infrastructure

In terms of social infrastructure, the priority interventions necessary by the municipality are:

- Water (bulk water services, connections and treatment works, as well as water reservoirs);
- Sanitation (reticulation);
- Housing (urban and rural settlements);
- Recreational and sports facilities

The aforementioned opportunities have the potential to transform the economic landscape of Nquthu Municipality but may be difficult to unlock due the financial constraints. The onus is upon the municipality to venture into avenues that can strengthen its financial muscle. Nonetheless, the Municipality is expected to promote, attract and facilitate investment in its area of jurisdiction so as to draw economic growth and development in the municipal area. By doing so, the municipality will be achieving the national goals namely employment creation, poverty reduction and improving the living conditions of its citizen. The municipality has an opportunity to market itself to the investors by offering the much needed economic infrastructure.

The municipality can reinforce its case using government policies such as SIP 11 which its objective is to improve investment in agricultural and rural infrastructure that supports expansion of production and employment, small- scale farming and rural development, including facilities for storage (silos, fresh-produce facilities, packing houses); transport links to main networks (rural roads, branch train-line, ports), fencing of farms, irrigation schemes to poor areas, improved R&D on rural issues (including expansion of agricultural colleges), processing facilities (abattoirs, dairy infrastructure), aquaculture incubation schemes and rural tourism infrastructure to source funding for its infrastructure. By doing do, the municipality will be facilitating and promoting investment in its area of jurisdiction.

7.3 INVESTMENT PROMOTION AND FACILITATION

Urban-Econ in the uThukela District Investment Promotion & Facilitation Strategy 2014 defined Investment promotion and facilitation as:

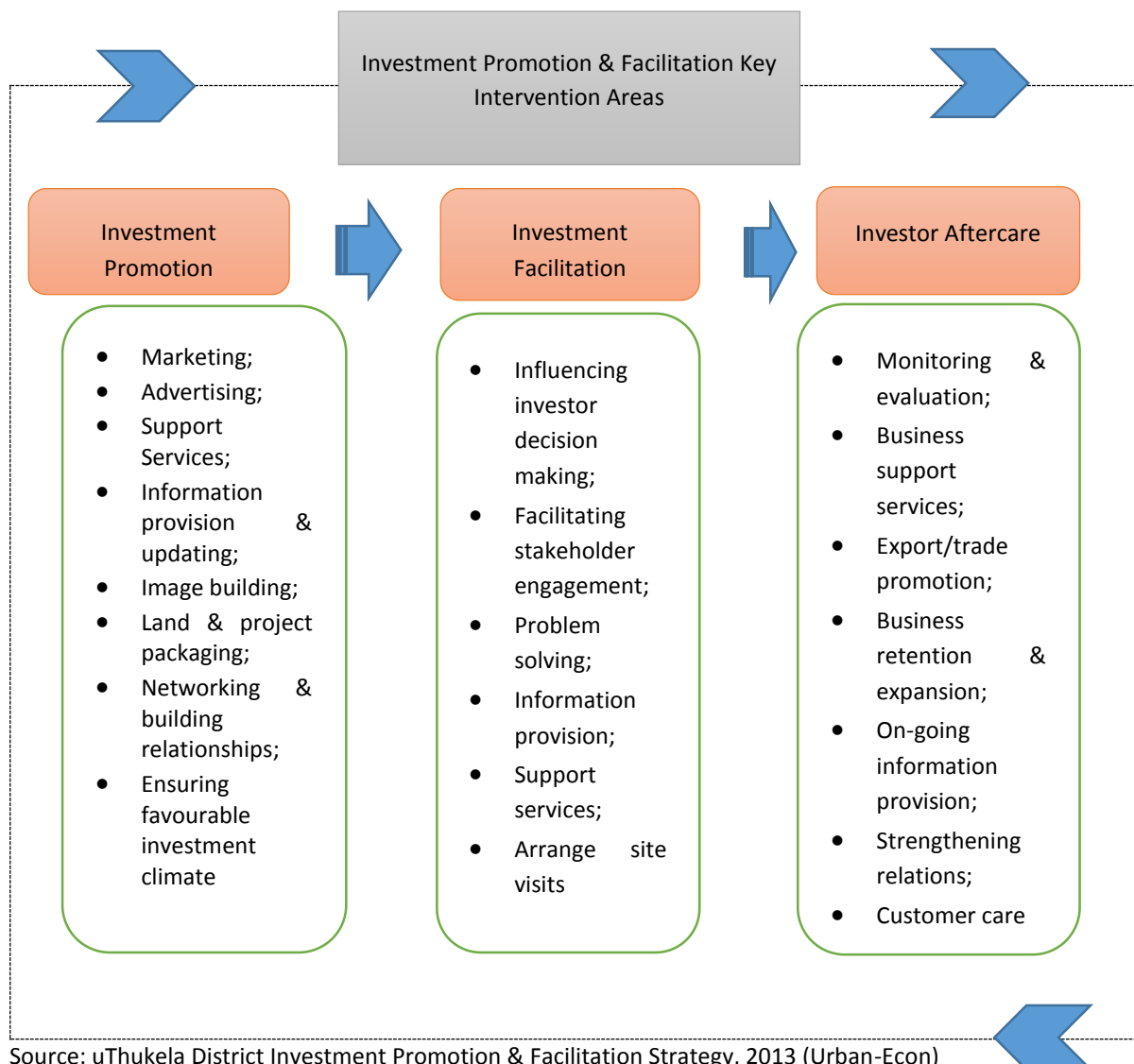
Sourcing, promoting, communicating with and attracting potential investors in an attempt to influence them towards investing in your location to facilitate and maintain new and existing investor relations to influence the establishment of new investment and the retention and expansion of existing business

It is evident from the definition that investment promotion and facilitation entails the following interrelated areas of intervention:

- 1) Investor Promotion;
- 2) Investor Facilitation and

3) Investor Aftercare

The strategy further unpacks investment promotion and facilitation into activities as outlined in the diagram that follows.



Massimiliano Ballotta in his presentation dubbed “Factors, Actions and Policies to Determine the Investment Attractiveness of a Territorial Systems” in the World Bank, WBI/PSD Investment Climate Seminar noted the following as key factors to improve attractiveness¹⁰:

- 1) **Natural endowment:** Which emphasised the significance of pro-business culture, infrastructure, advanced technology infrastructure; wealth, human capital and innovative technology capital

¹⁰ World Bank, WBI/PSD Investment Climate Seminar Series Washington, 29th January 2004- Massimiliano Ballotta

- 2) **Image and reputation:** Presentation of image and reputation is a peculiar factor because it can impact on all other factors and as such it is important to develop the image and reputation of the place;
- 3) **Institutions & practices:** Refers to availability of efficient and effective public administration, education & training, judiciary, finance and industry institutions;
- 4) **Policies** such as tax and fiscal policies that are attractive to investors

Projects that have been identified in prior sections can put this municipality in a very strong position and will encourage the financial growth and prosperity of the residents. The municipality should therefore consider the aforementioned key interventions in order for its area to be attractive to investors.

8 YOUNG ENTREPRENEURS

The demographic analysis indicates that majority (52.5%) of the population in Nquthu Municipal area falls within the 15-64 age cohorts which comprise of both employed and unemployed people. The population of these two age brackets (i.e. 15-64 and <15) is quite significant in Nquthu and has major economic implications. The 15-64 years age cohort exerts pressure on the municipality to tailor programmes that will offer employment opportunities. Whereas, the <15 years age bracket demands the municipality to offer basic services (e.g. schools, health facilities, etc.) that are of necessity to this age cohort.

The level of unemployment amongst the youth was 53.3% in 2011. The high unemployment amongst the youth is detrimental to economic growth and development. The youth are the future leaders and key players in the municipal economic growth and development. Unfortunately, majority of these young people may begin their adult lives in poverty, with limited skills, very few opportunities to access formal employment and no foreseeable way to make a decent living if the situation is not intervened with effective and realistic programmes. The well-being of these youth is very essential and as such efforts need to be geared towards improving their ability and participation in the economy of Nquthu.

8.1 ECONOMIC OPPORTUNITIES FOR YOUNG ENTREPRENEURS

Youth hold the key to the future. They are the future players in the economy of Nquthu and as such their participation in the economy is significant. The sector analysis reveals an array of opportunities that exist and the youth can venture into. The following is a discussion of some of these opportunities.

Agriculture Sector: Agriculture has special importance in the broadening of the economy and promoting rural development. An increase in agricultural production would result in the creation of relatively more jobs throughout the economy (including absorption of the youth in economic participation) than could be achieved in any other sector. However, agriculture is a sector that has realized meagre participation from the Nquthu population hence its dismal contribution to the economy. Many of the residents of the municipality undertake farming at subsistence level and do not consider agriculture as a source of income and a business venture. However, the sector pose a strong potential in livestock farming (e.g. sheep, cattle, goats). Youth can be supported or given an opportunity to establish livestock farming. Support in form of training and finance can energize the youth to actively practice livestock farming.

Tourism Sector: There is a lack of tour guides in Nquthu that can take around the potential tourists to all the tourism products in the municipal area. There is raw talent amongst the youth in the area of art and craft and music that has not been tapped. To tap in the talent in the tourism sector, there is a need to establish a centre that can be used to recruit and enhance talented youth. In the meantime, the municipality can utilize the Tourism Centre to train the youth in tour guide, music exhibition, etc. On the other hand, the youth can trained to initiate their own bed and breakfast, catering services or related tourism sector businesses.

Commercial Sector: The sector has shown considerable growth over the years, unfortunately, most participants or owners of these commercial business are not residents of Nquthu. Most of these

owners are youth but are Pakistanis, Somalis or people from other parts of Africa. The sector still has room to absorb the residents but there is a need to equip them with the necessary skills and finance to enter into the sector.

Informal Sector: As highlighted earlier in the report, informal trading in Nquthu is characterized by, second hand clothes dealers, fruit and vegetable sellers, hairdressers, barbers, street food vendors, street non-food products vendors, bricklayers and stonemasons, tavern and shebeen operators, motor vehicle mechanics and fitters, spaza shop owners and workers, tailors, dressmakers and hatters, Mr phone dealers, shoe makers, gardeners, garbage pickers, mielie cookers, newspaper vendors, car and minibus washers, live chicken sellers, second-hand tyre sellers and fixers and welders. However, majority of these informal traders are survivalists and youth are not very visible in this sector. It is important that the youth are encouraged to start-up businesses in this sector and strive to grow beyond informal trading. Areas such as welding, motor vehicle mechanics, carpentry, tailoring, ICT and computer/electronic repairs could be areas that the youth could be encouraged to get into. Again, these areas of the sector need appropriate skills and finance to operate.

Interventions that the municipality should consider to ensure that the youth capitalize in these opportunities are discussed in the strategy section of this report. Nonetheless, the follow section discusses some of the youth programmes that exist in South Africa.

8.2 YOUNG ENTREPRENEURS PROGRAMMES IN SOUTH AFRICA

South Africa's alarmingly high (and growing) unemployment rate has finally encouraged the government to turn to promoting youth entrepreneurship as a solution. The government recently introduced the Department of Small Business Development to oversee growth and development in the small businesses sector under the leadership of Lindiwe Zulu. A number of the country's young entrepreneurs have seized opportunities and have taken over leadership in SA's growing business landscape. Following are some of the entrepreneurship programmes that are geared towards improving the youth:

8.2.1 National Youth Development Agency

The Entrepreneurship Development Programme is aimed at creating a conducive environment for young entrepreneurs to access relevant entrepreneurship skills, knowledge, values and attitudes for their businesses. The programme offers a package of entrepreneurship trainings that responds appropriately and adequately to the labour market and business needs of the young people.

8.2.1.1 Services offered by the Entrepreneurship Development Programme

The Entrepreneurship Development Programme offers a range of services through the awareness and structured training programmes offered at the NYDA branches. The awareness programme offers the following to groups of young people in communities or at the NYDA branches:

- Basic Entrepreneurship skills;
- Characteristics of an Entrepreneur;
- Basic Business Requirement

The structured training programme offers the following courses:

- Start Up-1;
- Small Enterprise – Start up;
- Business Planning Process

These training courses are offered as a full course or modular courses depending on the specific needs of the young person. South African citizens between the ages of 14 and 35 (with a valid South African Identity Document) are eligible for the training.

Aspiring entrepreneurs/ existing business owners who want to attend the structured/ modular training courses are required to complete the training application form available from www.nyda.gov.za or visit the closest NYDA branch.

8.2.2 Shanduka Black Umbrellas

Shanduka Black Umbrellas was first conceived as the Black Umbrellas, a project spearheaded by Cape Town social entrepreneurs Charles Maisel and Mark Frankel to support SMMEs.

In 2009 the Shanduka Foundation partnered with Black Umbrellas to escalate the project countrywide with R5.2 million invested in the set up and operations of a Gauteng office. Cyril Ramaphosa, Chairperson of the Shanduka Foundation, is deeply committed to the vision of Shanduka Black Umbrellas as a catalyst in the development of entrepreneurs, a sector he has identified as critical to the empowerment of historically marginalised South Africans.

Shareholding in the Shanduka Group is held in two trusts: The Fundani Education Trust and the Mabindu Business Development Trust, the latter of which supports Shanduka Black Umbrellas.

“I believe that developing black entrepreneurs is essential to the future social-economic development of South Africa. It is imperative that we bring a much larger number of small black-owned businesses into the economy as it’s really through these businesses that we distribute the outcomes of the economy to the communities within which they operate”.

Mark Frankel, CEO Shanduka Black Umbrellas

Shanduka Black Umbrellas is a non-profit enterprise development incubation organisation partnering with the private sector, government and civil society to address the low levels of entrepreneurship and high failure rate of 100% black owned emerging businesses in South Africa.

The programme focuses on promoting entrepreneurship as a desirable economic path, and nurturing 100% black-owned businesses in the critical first three years of their existence through the provision of nationwide incubators.

The advancement of black entrepreneurs and small business development is at the heart of the Shanduka Black Umbrellas programme. It is a multi-stakeholder collaboration with the common

purpose of achieving economic and social change through action, inspiration and support. In order to create a sustainable programme to harness and strengthen South Africa's black entrepreneurs, Shanduka Black Umbrellas works through a platform of co-operation between civil society, the private sector and government so that the correct resources, skills development, mentoring and access to markets are in place to support development at all levels.

By providing a structured and subsidised programme, using a national footprint of business incubation offices, the participants are afforded the expertise, office infrastructure and resources over a 3 year period to create the important foundations to achieve sustainable businesses. This is a vital initiative to transform the South African economy by linking big business to smaller suppliers and increasing the economic opportunities that arise out of enterprise development.

"The work that Shanduka Black Umbrellas are doing is seminal in terms of the future of the country".
Francois Adriaan, Donor, Head of Group Corporate Affairs Portfolio at Sanlam

My vision for black entrepreneurship in South Africa is that clients and black clients specifically become the prime providers of jobs and become more than 80% contributors to the economy of South Africa.
Donovan Goliath: Regional Manager, Cape Town.

8.2.2.1 How It Works

The Shanduka Black Umbrellas model is aimed at supporting emerging black businesses through the incubation programme so that they are able to emerge as independent, viable businesses. Fundamental to the success of the model is a tiered intervention, where applicants/clients transition and bolster their business through successive levels of activation. The programme activation begins with a pre-incubation phase (3 months), followed by full incubation (3 years) through to graduation.

The SBU model uses its national reach to enable participants to benefit from guided mentorship, through which clients receive the transfer of business skills, knowledge and network linkages.

The businesses are assessed for their credit risk and an advisory committee offers their technical experience to assess the weaknesses and strengths of the businesses. Ongoing support through the incubation centres and the office infrastructure linked to these include:

- Bookkeeping services at standard rates;
- Access to networking & marketing events;
- Ongoing mentoring;
- Assistance with finance access;
- Workshops aimed at business & personal development.

Currently incubators are fully operational in Cape Town, Johannesburg, Durban, Mooiwooi, Lephalale, Pretoria, Richards Bay and Port Elizabeth.

8.2.2.2 *Why SBU Supports Young Entrepreneurs*

The imperative to reshape South Africa's economic environment is at a critical stage, with unemployment rates increasing to 25.20 in the first quarter of 2014, a scenario largely unchanged since 2000. Furthermore, South Africa has one of the lowest levels of entrepreneurship in the world, contributing to 35% of GDP compared to 60% in countries like India and Brazil. For those South Africans who do manage to start a business, fewer than 20% make it past the first two years.

Yet it is SMMEs who comprise 97.5 percent of businesses, providing formal and informal employment and a route out of poverty to millions. It is critical to make the fundamental foundational shift to an economy that supports the entrepreneurs who will be the businesses of tomorrow. By creating new markets, business models and employment opportunities, South African business enterprises have the potential to set the economy in motion towards a brighter, more equitable future.

My message to young South Africans who would like to become entrepreneurs is that there's a vast array of ideas out there, and as South Africans we can actually do something with our ideas. What we need is for people to have those bright ideas, put it into motion and get going with it, the sooner you get going with it, the better it is for our country.

Nadeem Hoosain, Client, MD of Duco Industrial

8.2.3 The Branson Centres of Entrepreneurship

The Branson Centres of Entrepreneurship launched in Johannesburg, South Africa in 2005. The primary aim is to help entrepreneurs to become innovative business leaders who help to create jobs.

The Branson Centres support entrepreneurs by offering:

- Business training programmes;
- Access to a community of mentors, role models, industry experts and business networks;
- Access to facilities and online resources;
- Ongoing support and advice to help entrepreneurs grow businesses - efficiently and effectively

Partnering with the Branson Centre of Entrepreneurship will open up numerous opportunities for the youth to take their business to the next level. Interested youth can enrol in this programme by filling out the application form in full which can be downloaded in their website.

8.2.4 Other Government Grants & Loans

The South African government is well aware of the importance of developing the economy, creating employment and attracting investment. To make these goals a reality, there are grants and assistance programmes available from the government and associated organisations that can get businesses off the ground and expand. Following are some of the government programmes that are aimed at improving business growth in the country:

- **Aqua-culture Development and Enhancement Programme (ADEP)** – is available to registered entities involved in primary, secondary and ancillary aquaculture projects for both marine and fresh water. It is approved for new, existing and upgrading entities.
- **Automotive Investment Scheme (AIS)** – is designed to grow and develop the automotive industry through investment in new and replacement models and components that will increase production volumes, sustain and increase employment, and strengthen the automotive value chain.
- **Black Business Supplier Development Programme (BBSDP)** – is a cost-sharing grant offered to black-owned businesses to improve their competitiveness and sustainability. It aims to fast-track small and micro-enterprises, foster links between black-owned businesses, corporates and public sector, and to complement affirmative procurement and outsourcing. It provides grants to a maximum of R1 million.
- **Business Process Services (BPS)** – This scheme aims to attract investment and create employment in South Africa through off-shoring activities. It involves a three-year tax-exempt grant for qualifying businesses.
- **Capital Projects Feasibility Programme (CPFP)** – is a cost-sharing grant contributing to the cost of feasibility studies for projects that will lead to increased local exports and stimulate the local manufacturing sector.
- **Critical Infrastructure Programme (CIP)** – is aimed at improving the infrastructure of South Africa. The grant covers a minimum of 10% to a maximum of 30% of total development costs of qualifying infrastructure.
- **The Co-operative Incentive Scheme (CIS)** – is a 90:10 cost-sharing grant for registered primary cop-operatives of five or more members to improve the viability and competitiveness.
- **Incubation Support Programme (ISP)** – is designed to create and develop successful enterprises with the ability to revitalize communities and local economies.
- **The Manufacturing Competitive Enhancement Programme (MCEP)** – provides enhanced manufacturing support to encourage facility upgrades to sustain employment and improve productivity.
- **Manufacturing Investment Programme (MIP)** – is a reimbursable cash grant to local and foreign-owned manufacturers who wish to establish new facilities or expand on existing ones.
- **People-carrier Automotive Investment Scheme (P-AIS)** – is a cash grant of between 20% and 35% of the value of qualifying investment in productive assets approved by the DTI.
- **The Sector Specific Assistance Scheme (SSAS)** – is a cost-sharing grant offered on an 80:20 principle and a maximum of R1,5 million is awarded to qualifying businesses.
- **Support Programme for Industrial Innovation (SPII)** – aimed to promote technology development in South African industry

With the current high youth unemployment and low economic activities, Nquthu should strive to take advantage of the existing youth entrepreneur programmes. As an important source of labour and prospective economic players, the municipality should facilitate the mentoring or grooming of the youth so that they can effectively participate in the economic sectors such as tourism, agriculture, commerce and informal economy. The youth should be enhanced to be business owners and drivers of the local economy.

9 INSTITUTIONAL ANALYSIS

9.1 GOVERNANCE AND ADMINISTRATION

9.1.1 LED Governance

The responsibility for decision making in respect of LED rests with the full council on recommendation made by the Executive Committee (EXCO). The municipality established the LED Portfolio Committee as a sub-committee of council that is assigned with a responsibility to advise EXCO and council on economic development. The committee acts on the basis of delegated powers, and drives the implementation of the LED programme as outlined in the IDP and the associated LED Plan. Other portfolio committees that deals with issues that have a far reaching implication for LED are:

- Finance and Budget Portfolio Committee;
- Human Settlements and Infrastructure Portfolio Committee;
- Planning and Building Control Portfolio Committee;

It is important that councillors receive training on LED so that they can recognize LED as an approach to development, local government mandate and a key performance area (KPA) for the municipality. However, the municipality should carefully design a programme which seeks to build capacity and improve performance of councillors in this regard.

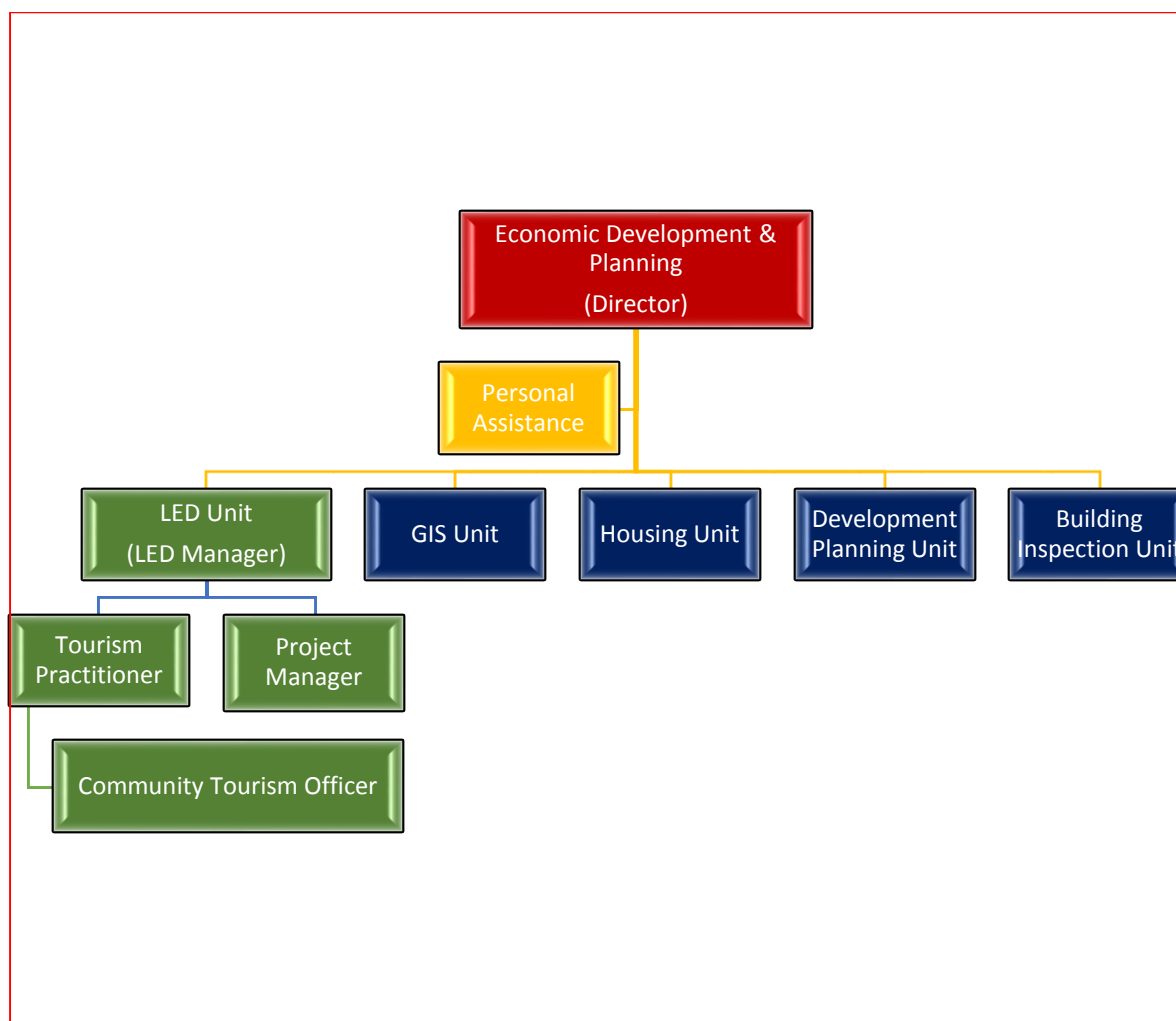
9.1.2 LED Capacity

The LED function falls within the Economic Development Directorate, and its mandate is as follows:

- Ensure / facilitate an enabling environment for economic development - 1st economy 2nd economy;
- Implement Poverty Alleviation Programme;
- SMME Development;
- Informal Economy: plans, structures and aesthetics;
- Creating 'enabling' environments;
- Facilitate processes (not necessarily involving resources and not necessarily projects) to achieve the above;
- Support processes to achieve the above;
- Implementation of programmes and projects;
- Support to the informal economy;
- Business Licensing

The LED Unit is under resourced in terms of human capital. The unit has three (3) personnel namely LED Manager, Tourism Practitioner and Project Manager. The organogram below illustrates:

Figure 27: EDP Organogram



The unit lacks dedicated personnel in agriculture and commerce / business sector. These two areas are very important and the municipality should consider restructuring its LED Unit to incorporate those units in the organogram. Likewise, there should be continuous skills capacitation on the staff, networking and partnership with support organizations to ensure effective implementation of LED Projects.

9.2 SYSTEMS AND PROCEDURES

9.2.1 Municipal Bylaws

The municipality has developed a number of bylaws some of which have a direct impact on LED while others deal with the environment within which economic development and growth occurs, and may therefore have an indirect effect. Critical municipal by-laws with a direct impact on LED include the following:

- By-laws and policies necessary for an effective implementation of the Municipal Property Rates Act (MPRA);
- Informal trading policy and by-laws used to regulate the operation of the informal sector within the municipal area;
- Credit control by-law which may have serious implications for the SMMEs and their ability to pay for services.

Municipal bylaws regulate how businesses should operate in its area of jurisdiction. They have the ability to grow or destroy businesses. Friendly bylaws attract investors thereby promoting business growth and otherwise. The municipality should therefore ensure that it develops bylaws that are attractive to investors.

9.2.2 Supply Chain Management (SCM)

The municipality has developed and is implementing its Supply Chain Management (SCM) as regulated by the Municipal Finance Management Act, Act No. 56 of 2003. The system seeks to promote local economic development by giving preference to local businesses to supply goods and services to the municipality.

The municipality will also support small entrepreneurs in the construction sector by breaking down a certain portion of capital contract into smaller scale that will meet construction sector requirements. Through Supply Chain Management Unit, bid specification committees will ensure that all bid documents make provision for local emerging small contractors. This strategy is aimed at promoting and developing stage 1 and 2 contractors.

Likewise, the department of technical services through its service providers for capital construction projects will technically support small contractors that are involved with municipal capital projects. A section of the bid document shall invoke this clause to ensure that service providers abide by it. The coordination of the above shall be the responsibility of LED unit, SCM unit, Technical Department and Local Contractors Association.

9.2.3 Land Use Management

The purpose of preparing a Land Use Management System is to promote co-ordinated, harmonious and environmentally sustainable development, both in rural and urban areas¹¹. KwaZulu-Natal introduced the Planning and Development Act (PDA) which is a framework / guidelines to development in municipalities. The PDA empowers the municipality to introduce systems and procedures for land use management, and take decisions independently. However, the Act introduces the following challenges for Nquthu municipality:

- Implementation of a wall-to-wall land use management scheme with uniform land use controls and procedures;
- Creating internal capacity to handle volume of applications as the municipality takes responsibility for applications that were previously handles by the provincial government. This is required in order to avoid unnecessary and costly delays;
- Mapping of the process and ensuring that all those involved in the assessment of application and decision making perform their tasks on time, and decisions taken are informed and based on complete information.

9.3 LED BUDGET

The LED is a vital KPA of the municipality and a critical component to consider if the municipality is to address the national priorities (e.g. poverty, unemployment, etc.) if aggressively pursued. The budget for the LED in 2014/15 was R3, 657, 955 which comprised programmes of small scale. Interviews with some of the municipal staff indicated that the budget on the various components of LED Unit was small to bring about meaningful impact to the local economy. It also emerged that LED is not considered as an important component that should take a substantial share of the municipal budget. Earnest impact on the LED comes with a price. Therefore, the municipality should consider increasing the LED Budget and focus should be on investing on economic infrastructure or projects with high economic impact.

Table 19: LED Budget 2014/15

LED PROGRAMMES	BUDGET
Implementation of SMMEs projects	R277 201
Resuscitation of Nquthu Tourism Office	R133 056
Tourism Promotions	R232 627
Art, Culture and Heritage programmes	R1 051 000
LED Programmes	R1 387 493
Umkhosi Womhlanga	R576 578
Total budget	R3 657 955

¹¹ Land Use Management Systems in the Rural Area – KZN Planning & Development Commission

9.4 LED SUPPORT STRUCTURES

9.4.1 Government

The government through its various department and agencies has initiated numerous programmes that are geared towards LED Support. Some of these structures are:

- Department of Agriculture, Department of Economic Development and Tourism (DEDT), Department of Arts and Culture, etc.;
- Small Enterprise Development Agency (SEDA) with the mandate to provide non-financial support services and to coordinate all SMME non-financial support programmes of various government-funded agencies at a district municipality level;
- Public entities such as Trade Investment KwaZulu-Natal (TIK), Tourism KwaZulu-Natal, Ithala Bank, etc.;
- Youth Development Agency focusing on supporting economic development initiatives targeting the youth;
- Development banks such as Ithala Bank, Land Bank and Development Bank of Southern Africa;
- Department of Trade and Industry (DTI) and its incentive schemes.

Some of these stakeholders have been very active in development in the municipal area. However, the municipality should strengthen its relationship with these government departments to fully benefit from the various development programmes that they offer. These departments should be engaged or contacted by the municipality where necessary to provide support on the LED Programmes.

9.4.2 Business Chamber

There is a business chamber that is supposed to be the umbrella body of all the businesses in Nquthu. However, the chamber is currently inactive as it lost two of its key members (Chairman and EXCO Member). The interim chairman indicated that the chamber is currently unconstitutional since it does not have elected leaders. The chairman is busy trying to revitalize it. He is of the idea that the chamber should be all inclusive (i.e. to include / represent all types of business organizations in Nquthu) which was not the case before:

Following are some of the business organizations / chambers that are in operation in Nquthu and fall under the Nquthu Business Chamber:

- Nquthu Small Business Chamber;
- Informal Traders Association;
- Farmers Association;
- Livestock Association;

- Cooperatives Association;
- Nquthu Taxi Association;
- Tourism Association

These associations are active and have been of assistance to their various members. However, they are all working on different platform without a shared or common goal. The new business chamber should focus on building unity amongst these members and engage the municipality in promoting a conducive business environment.

10 SYNOPSIS OF KEY ECONOMIC DEVELOPMENT ISSUES

10.1.1 Poverty

It is evident that poverty is rife in Nquthu. This is attributed to the rural nature of the municipality and its poor soil and environmental conditions. In most cases rural municipalities depend on agriculture for its economic growth and development. Agriculture is labor intensive and as such employs a considerable population of a municipality thereby reducing unemployment and poverty. However, this is not the case with Nquthu due to its unfavourable soil and environmental conditions. Other sectors such as commerce and government have contributed in reducing the endemic but its level is still alarming. High poverty is likely to cause other social evils (e.g. crime & robbery, idleness, alcohol & drug abuse, etc.) that is detrimental to economic growth and development. This LED Strategy will provide a framework for the municipality and other government departments to gear their efforts towards implementing programmes that are likely to impact on the living conditions of the people of Nquthu.

10.1.2 Unemployment

Unemployment has declined considerably in Nquthu (i.e. declined from 81.6% in 2001 to 44.4% in 2011) thanks to the commercial and government sectors. The level of unemployment is however higher in Nquthu compared to the provincial (33%) and national (29.8%) average. Like poverty, unemployment is detrimental to economic growth and development. Efforts should therefore be focused on LED projects or programmes that address unemployment in the area.

10.1.3 Lack of Investment

Nquthu is experiencing an encouraging growth in its commercial sector. This is evident as the Nquthu Plaza is fully occupied and there is another commercial centre that is under construction. Most of the premises in the CBD are occupied by the commercial sector. However, other sectors such as tourism and agriculture are not benefiting the municipality as much as the commerce sector. The tourism sector has been ignored despite the fact that it has great potential to improve the economy of Nquthu. The land is unfavourable for vegetable farming but other agriculture practices such as groundnuts, sisal, poultry and livestock are a possibility. The municipal area is also considered as a viable place for agro-processing. The municipality should consider attracting investment in these two sectors (tourism and agriculture). The municipality should facilitate investment by providing tourism and agriculture support infrastructure.

10.1.4 Poor Access to Economic Infrastructure

Like many other rural municipalities in the province and country at large, Nquthu Municipality suffers from acute backlogs in social and economic infrastructure. The vast land and the rich history of the battlefields that exist within the municipality, provide the basis for socio-economic development. But it is a well-planned, prioritised and strategic infrastructure investment that will promote social development and stimulate sustainable economic growth in Nquthu.

Suitable infrastructure is a key enabler for any development and it is equally crucial in attracting investment to Nquthu. The most obvious form of this is in terms of road transportation. The municipality is currently busy undertaking road projects but the road conditions are still not attractive to investors. Most roads are still gravel making them impassable in rainy seasons. In addition, basic services such as electricity, water, wastewater, solid waste and telecommunications are just as critical. Infrastructure is a key enabler in terms of attracting investors, economic development and job creation, it therefore critically important that the municipality consider serious investment in its economic support infrastructure.

11 STRATEGIC FRAMEWORK

11.1 INTRODUCTION

The prior section of this report has unpacked the status of Nquthu's economic dynamics and its supporting infrastructure. It is evident that the area has great potential in sectors such as commercial, tourism and agriculture. Nonetheless, the area faces a considerable number of challenges that are detrimental to economic growth and development of the municipal area. These challenges ought to be addressed in order to turnaround the municipal area to attract investors that are handy in promoting economic growth and development.

The Strategic Framework is a comprehensive picture of the organization's strategy. It clarifies how individual efforts and team projects can be connected to achieve the best outcome. It includes meaningful target measures and a sequence of activities that help focus on the key efforts that implement the strategy¹². In essence, the strengths, opportunities, weaknesses and threats that have been identified in the prior section should generate focused interventional measures that will turn around the municipal's economy and by doing so achieve the municipal vision.

This strategic framework will therefore

- Leverage the vision, goals, and core values of the municipality;
- Highlight key issues in each sector that need strategic consideration;
- Strategic interventions;
- Prioritize programmes / initiatives;

11.2 IDP VISION

The vision in the Municipal IDP is a reflection of the common identity of the municipality and all municipal sector departments strive to play a role in their own rights to achieve the overall vision. The IDP 2014/15 Vision reads as follows:

“To be the champion of sustainable local economic and community development, through good governance”

The municipal vision clearly considers creating a sustainable local economy as critical.

¹² <http://www.clearpathusa.com/services/strategic-framework/>

11.2.1 Unpacking the IDP Vision

The vision is further unpacked as follows:

To be the champion: The municipality reflects itself as an institution that is ready to support or facilitate any interventions that can bring about economic growth and development in the municipality:

Sustainable local economic development: World Commission on Environment and Development, defines sustainable development as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” Sustainable development promotes the idea that social, environmental, and economic progress are all attainable within the limits of our earth’s natural resources. Sustainable development approaches everything in the world as being connected through space, time and quality of life. Nquthu is therefore, ready to support any economic development so long as it is sustainable.

Community Development: Community development is a process where community members come together to take collective action and generate solutions to common problems¹³. As, it was the case, this report gathered the challenges and possible solutions to the challenges through engagement of the community / representatives.

To achieve the aforementioned vision, the municipality set the following goals:

- To be an exemplary municipality in South Africa;
- To reduce and eventually eradicate all forms of poverty in Nquthu;
- To provide members of the population with access to basic services and public facilities within the established government norms and standards;
- To transform existing settlements into sustainable and economically generative human settlements;
- **To develop local economy based on agriculture, tourism and the supportive economic sectors.**

It is evident from the IDP Vision and Goals that the municipality acknowledges the significance of supporting the growth of its local economy through agriculture, tourism and other supportive economic sectors. The strategic framework should therefore focus on generating programmes / projects that will improve the said sectors.

¹³ https://www.google.co.za/?gws_rd=ssl#q=community+development+definition

11.2.2 Core Values

The IDP 2014/15 noted the following core values that define the philosophy of Nquthu Municipality:

- 1) Quality;
- 2) Humanity;
- 3) Accountability;
- 4) Willingness;
- 5) Excellence



11.2.3 IDP Development Objectives

The LED Strategy is one of the sector plans that is key in realizing the municipal vision. To ensure that this KPA contributes to the well-being of the municipal economy, the municipality set the following objectives in order to guide Municipal LED Unit in the process of moving progressively towards the attainment of the municipal vision:

- Promote Community based tourism;
- Facilitate the establishment of agricultural projects in various settlements in association with the Department of Agriculture;
- Facilitate regeneration of Nquthu Town;
- Provide support and facilitate development of SMMEs;



Figure 28: IDP Development Objectives for LED KPA

It is evident that the IDP provides a clear guideline for the LED KPA. It sets out the objectives of the LED KPA and a framework that the unit should use when undertaking LED Programmes. Numerous economic development issues have been identified in the situational analysis that jell the IDP Development Objectives. The proceeding section therefore presents the strategies that the municipality should adopt in order to address the issues impacting on the economic growth of the municipality.

11.3 DEVELOPMENT STRATEGIES

A strategy can be defined as method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem. The suggested strategies for this report aim to eliminate the challenges and take advantage on the opportunities as identified in the situational analysis with the desired goal to achieve the municipal vision. Similarly, the strategies that will be suggested will address the key economic challenges impacting Nquthu namely, high poverty and unemployment, lack of investment in the municipal area and poor economic infrastructure. To address these challenges therefore, the strategies are two pronged. There are those strategies that will focus on sectors and those that focus on cross cutting issues affecting the local economy of Nquthu. The following is a summary of strategies that emerged after stakeholder consultation and subsequent municipal competitive and comparative analysis.

- 1) Strategy 1: Unleash and diversify the agriculture sector;
- 2) Strategy 2: Develop and support the tourism sector;
- 3) Strategy 3: Develop and support the commercial sector;
- 4) Strategy 4: SMME Development and support to the informal economy;
- 5) Strategy 5: Facilitate investment attraction to Nquthu;
- 6) Strategy 6: Promote young enterprise / entrepreneurs;
- 7) Strategy 7: Improve the institutional capacity;
- 8) Strategy 8: Improve strategic economic infrastructure;
- 9) Strategy 9: Promote education, skills and capacity development;
- 10) Strategy 10: Improve local economic governance;
- 11) Strategy 11: Initiate anchor projects.

11.4 UNPACKING THE STRATEGIES

The strategies listed above have their own rationale and associated programmes that the municipality is expected to work closely with the relevant stakeholders to enhance the economy of Nquthu. The strategies and the relating programmes are unpacked in the following section.

11.4.1 Strategy 1: Unleash and diversify the agriculture sector

Agriculture is a labour intensive sector and a good source of employment and GVA contribution particularly to municipalities that are in rural areas. However, the sector is not benefiting Nquthu despite the availability of vast fallow land. The situational analysis identified the following as key challenges facing the sector:

- Poor soil type (not viable for vegetable farming);
- Lack of bioresearch study report;
- Lack of water;
- Lack of adoption of knowledge by the farmers;
- Small scale farmers and not competitive;

- Farming not considered as a business;
- Many “non-commercial” producers;
- Lack of fresh produce market;
- Lack of livestock market;
- Farmers Associations not effectively used to grow the sector;
- Business Chamber not effectively in operation;
- Understaffed Extension Officers;
- Delay in repairs on broken farm equipment (department of agriculture)

11.4.1.1 Strategic Programmes

The aforementioned challenges are detrimental to the suggested strategy. It is therefore paramount that the following programmes are pursued so that the sector can be unleashed and diversified to bring meaningful economic growth to the municipality.

11.4.1.1.1 Strategic Programme 1: Promote other farming practices

The farming practices in Nquthu are predominantly subsistence aimed at providing food security for families and small amount of the produce is sold to the neighbours. The farming is mainly on areas of maize and dry beans. There is negligible vegetable farming in isolated areas that have access to stream / river water. Livestock farming (e.g. goat, cattle and sheep) is also visible in Nquthu, however, it is not commercialized. There is an opportunity to commercialize livestock and other farming practices that do not require a lot of water or fertile soil (e.g. sisal, groundnuts, etc.). To widen the scope of farming practices in Nquthu, the municipality should assist farmers to commercialize livestock farming and encourage other farmers / investors to venture into industrial crop farming.

11.4.1.1.2 Strategic Programme 2: Promote agro-processing

Agro-processing involves the transformation of agricultural produce into a different physical or chemical state. It encompasses technical and mechanical processes that range from packaging to the transformation of raw material into final products. Agro-processing has the potential to become an industrial impetus that can create jobs and answer some of the municipality's economic challenges. The sector has also been identified in the Industrial Policy Action Plan (IPAP) as having potential to actualise macro-economic objectives as pronounced in the New Growth Path (NGP). Livestock and other new farming practices that are suggested in this report avails an opportunity for agro-processing. The onus is on the municipality to pursue the establishment of an agro-processing industry in its area of jurisdiction.

11.4.1.1.3 Strategic Programme 3: Improve water supply

Water is important in agriculture for both farming and agro-processing initiatives. One of the major challenges that emerged in the analysis is shortage of water in the entire municipality. This asset is impacting negatively on the efforts that are geared towards unleashing the sector. Even though the exercise is a daunting task, it is vital that the municipality liaise with the relevant government departments / other stakeholders to improve water supply in Nquthu. The municipality should initiate irrigation schemes in strategic locations and where appropriate establish storage tanks. The efficient supply of water could be an important recipe in investor attraction.

11.4.1.1.4 Strategic Programme 4: Facilitate training / improve skills capacity to farmers

Majority of the farmers are illiterate or lack the necessary skills capacity to undertake sustainable agricultural practices. Many farmers acknowledge that they need training. Currently, the Department of Agriculture and Farmers Association provide training and mentoring but in many instances, the trained farmers do not adopt the new techniques acquired during the training. If farming in Nquthu is to grow and be beneficial to a larger population, the farmers must be equipped with the necessary skills and techniques. The municipality should engage the necessary training agents or government departments to provide skills capacity to the farmers. The training agents should encourage the farmers to adopt the acquired skills when undertaking their farming practices.

11.4.1.1.5 Strategic Programme 5: Facilitate farming facilities

There is no livestock and fresh produce markets in Nquthu. Livestock (e.g. goats, sheep, and chicken) and vegetables are sold in open space or informal traders structures. Construction of facilities such as abattoir / meat processing plant, fresh vegetable market and sheep shelter / market could reshape the agricultural landscape of Nquthu. These facilities are likely to open up the value chain opportunities in the livestock farming thereby reducing poverty levels as a considerable number of people will acquire employment. Similarly, these facilities will add to the municipality the much needed revenue streams hence improving its financial muscle.

11.4.1.1.6 Strategic Programme 6: Strengthen farmers associations

Farmers' voice cannot be obtained without farmers' organizations. In the Nquthu, for instance, there are several farmers. To engage in any sensible dialogue with the rest of society, farmers need their representative organizations, the farmers' organizations, structured from grassroots to the regional level, as their legitimate voice. This is why farmers' movement gives a lot of importance to farmers' organizations, organizations by farmers and for farmers, as an important pillar of today's society.

The farmers' association in Nquthu is active and comprise of members from different sectors of agriculture. The association provides a platform for the farmers to share knowledge and discuss challenges encountering the farmers. This platform offers the farmers an opportunity to find a solution

to their problems with one voice. The association is the voice of the farmers and represents them in various forums in Nquthu and the district at large. The association also offers uniformity to farmers and could be used as a bargaining power for the farmers. This association should therefore, be supported and strengthen so that it can fully participate in the growth of the sector.

The following table summarizes the strategy and programmes to be pursued in order to improve the performance of the agriculture sector.

Table 20: Agriculture Sector Strategy and Strategic Programmes

Strategy	Strategic Programmes
1. Unleash and diversify Agriculture Sector	1) Promote other farming practices; 2) Promote agro-processing; 3) Improve water supply; 4) Facilitate training / skills capacity to farmers; 5) Facilitate farming facilities; 6) Strengthen farmers associations

11.4.2 Strategy 2: Develop and Support the Tourism Sector

The tourism sector has not been a key contributor the municipal GVA and source employment. The sector has also not gained much support from the municipality despite its immense reputable historical sites and battlefields.

After engaging the stakeholders in the sector the following emerged as key challenges that have negatively impacted on the tourism industry:

- Lack of road names and tourism signage which makes it difficult for visitors or tourists to navigate their ways;
- Poor roads (i.e. most roads to the sites and accommodation facilities are not tarred);
- Lack of tourism information centre;
- Lack of marketing and promotion;
- Limited tourism budget in the IDP;
- Lack of tourism strategy / plan that can guide development of the sector

11.4.2.1 Strategic Programmes

The challenges listed above are injurious and should be addressed in order to augment the tourism sector. These challenges can be addressed by the following strategic programmes.

11.4.2.1.1 Strategic Programme 1: Undertake road names & improve tourism signage

The owners of some of the tourism products in the CBD complained that lack of road names makes it difficult for the visitors to access their facilities. Likewise, roads to other areas with tourism potentials do not have road names and tourism signage thereby making it difficult to be accessed by self-drive

tourists. There is therefore a need to name the access roads and tourism signage that lead to key tourism products.

11.4.2.1.2 Strategic Programme 2: Improve road conditions to tourism products

Roads are the main source of transport in the area. They link the tourism products to the markets and are the economic lifeline of the municipality. However, some road network in the CBD and other parts of the municipality are gravelled thence making them seasonal as they become impassable on rainy days. The municipality is currently busy tarmacking the roads in the CBD. It is therefore urged that the municipality should facilitate the tarmacking of all the roads in Nquthu Town and other strategic areas to enhance transport to the tourism products. An improvement in the road network will not only benefit the tourism sector but will also catalyse economic growth and development in the municipal area.

11.4.2.1.3 Strategic Programme 3: Rehabilitate the Tourism Information Centre

A tourism centre is an important point of contact for tourists / visitors. It offers the tourist an opportunity to attain information on the tourist products that are on offer in the municipal area. The centre can also become the tourism marketing centre. The municipality has refurbished the existing centre and is in the process of furnishing the office so that it can be fully operational. The municipal tourism practitioner will be the officer based in this centre to provide relevant assistance to the visitors. The centre should therefore, be stocked with relevant brochures, leaflets or marketing material that demonstrate the various tourism products that are on offer in the municipal area. The municipality should also undertake awareness campaign to inform the public about the centre since most of the tourists who come to visit the tourism products are directed from Dundee. This function should be striped of from the Dundee centre and transferred to the Nquthu centre.

11.4.2.1.4 Strategic Programme 4: Packaging of the Tourism Products

Nquthu boasts with renowned archaeological, battlefields and historical sites both nationally and internationally. However, to attract more visitors and to benefit optimally from these products the municipality should find a way to package the products. This may mean combining the battlefields with other offerings or teaming up with other service providers to attract more customers in the municipal area.

11.4.2.1.5 Strategic Programme 5: Marketing and Promotion

Marketing and promotion as an effective way to spread the word on the tourism products on offer in Nquthu. Visitors are likely to come and consume products that they are aware of. Without proper marketing and promotion, visitors will not be aware if Nquthu offers any significant tourism products. Currently, Nquthu does not have effective marketing and promotion materials for its existing

products. The website does not contain detailed information on the tourism products. There are no brochures or other form of marketing materials in Nquthu besides those found in Dundee. The municipality should redesign its approach and aggressively consider marketing its tourism products if it is to benefit from its rich history.

11.4.2.1.6 Strategic Programme 6: Promote Community Based Tourism

The municipality should focus on promoting community based tourism ventures, its integration into the mainstream tourism and providing support to the organised tourism industry. The Municipality has potential for cultural tourism given the rich natural resources and heritage of the local community. Particular focus should be paid on the following:

- 1) Products that provide authentic local traditional and contemporary cultural experience. This may include initiatives such as the establishment of a cultural village and establishment of a rural village tourism route;
- 2) Identification and packaging of SMME opportunities in the tourism industry. These may include laundry, fresh produce, tour guides, transport and other downstream services.

11.4.2.1.7 Strategic Programme 7: Increase Tourism Budget

It was evident that the tourism sector has not obtained much attention from the administrative and political structures despite the abundant tourism potential. The budget allocated for the tourism sector in the Municipal IDP has been very small to bring about meaningful development in the sector. However, this situation is progressively changing as the municipality has initiated some pro-tourism programmes. The municipality should consider increasing the tourism budget to allow the LED Unit generate projects that can significantly impact the tourism sector.

11.4.2.1.8 Strategic Programme 8: Develop a Tourism Strategy / Plan

The municipality lack a framework or guideline on how it can develop its tourism sector. The situation forces the municipality to initiate tourism interventions on an ad hoc basis. Given the availability of tourism potentials in the municipality there is a need to develop a tourism strategy / plan that will investigate, consolidate and provide a development framework for the entire tourism sector. The plan will not be a solution to the challenges facing the tourism sector but will offer a positive direction on how the municipality can improve the sector and ultimately benefit the local economy.

Table 21: Tourism Sector Strategy and Strategic Programmes

Strategy	Strategic Programmes
2. Develop & Support the Tourism Sector	<ol style="list-style-type: none"> 1) Undertake road names & improve tourism signage; 2) Improve road conditions to tourism products; 3) Rehabilitate the Tourism Information Centre; 4) Packaging of the Tourism Products; 5) Marketing and Promotion; 6) Promote Community Based Tourism; 7) Increase Tourism Budget;

	8) Develop a Tourism Strategy / Plan
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11.4.3 Strategy 3: Develop and Support the Commercial Sector

The commercial sector is an important source of the municipal GVA and employs a considerable number of Nquthu population thereby contributing immensely in poverty reduction in the municipal area. It is one of the sectors that the municipality depends as a lifeline in its economic growth. The sector has potential to grow but faces some challenges that if not address could undermine the prospects of the sector's performance in the future. The following are some of the key challenges that emerged during engagement with key sector stakeholders:

- Lack of land in the CBD (land is owned by Department of Land Affairs);
- Nonexistence / poor drainage systems;
- Poor status of roads (some roads in the CBD are gravel);
- High property rates;
- Lack of public toilets;
- Lack of / poor refuse removal services;
- Lack of communication on interference of services rendered by municipality (e.g. water & electricity);
- Lack of understanding of mandate of government spheres at municipal levels;
- Low level of education;
- Lack of Business Support

11.4.3.1 Strategic Programmes

It is undeniable that the growth prospects of the commercial sector are high. However, the challenges facing the sector are detrimental to allowing it realize its full potential. It is therefore important that the municipality addresses these challenges. The following are suggested interventions:

- 1) Unlock land parcels;
- 2) Improve property rates
- 3) Communicate to Investors when there will be interruption of Services

11.4.3.1.1 Strategic Programme 1: Unlock land for commercial sector

Land particularly in areas that have commercial activities (e.g. Nquthu Town) are hard to find as they are under the ownership Land Affairs and Tribal Authority. Some of the investors who had intention to expand their business face difficulties in finding space as the land owners are not willing to lease or sale their fallow land. This situation is not good for the local economy. Efforts have to be put into play to unlock some of the land parcels in these economic nodes to allow the sector to blossom.

The following activities / projects should be initiated to unlock land:

- 1) Undertake land audit;
- 2) Negotiate with land owners to transfer land to municipality / allow investors to utilize it

11.4.3.1.2 Strategic Programme 2: Improve Property Rates

Property rates are an important source of revenue for the municipality. They offer the municipality the financial muscle to provide the needed basic services such as refuse removal, drainage, road improvement, water and electricity that are core to the operation of the sector. However, attractive property rates are likely to lure investors and vice versa. At the moment, most of the stakeholders that were interviewed noted that the property rates are higher and unattractive. The municipality should therefore consider addressing this issues. The following are possible interventions:

- 1) Review property rates;
- 2) Develop / review Investment Incentive Policy

11.4.3.1.3 Strategic Programme 3: Embrace Communication

Communication is an important means to building good relationship. It enables one to communicate even negative or difficult messages without creating conflict or destroying trust. Some of the key stakeholders noted that the municipality does not communicate to them when there is interruption on key services such as electricity and water. The situation catches the investors unprepared, thereby interfering with their operation since there was no warning given to them to allow them make alternative arrangements. It is therefore, important that the municipality should consider opening proper communication channels that will inform the public of any service interruption. The following is the suggested intervention on the aforementioned challenge:

- 1) Develop communication plan on service interruption

Table 22: Commercial Sector Strategy and Strategic Programmes

Strategy	Strategic Programmes
3. Develop and Support the Commercial Sector	1) Unlock land parcels; 2) Improve property rates; 3) Communicate to Investors when there will be interruption of Services

11.4.4 Strategy 4: SMME Development and Support to the Informal Economy

SMMEs / informal traders generally have difficulty in affording market related workspace rentals thereby opting to working from home or inappropriate locations which impacts them in their productivity and profitability. The SMME / Informal sector is an important source of employment particularly to the uneducated /illiterate population. Nquthu being a rural municipality is characterized by high illiteracy, unemployment and poverty levels. And SMME / Informal sector being the potential sector that can address this challenge should be developed to ensure that it thrives. The sector faces the following challenges:

- Lack of trading facilities (trading stalls / kiosks, informal traders market, demarcated sites);
- Lack of ablution facilities;
- Lack of trading regulations;
- Lack of refuse removal services;
- Lack of water and electricity;
- Lack of business support (capacity building, marketing, information);
- Difficulties in obtaining trading licence/permit;
- Narrow view of informal economy;
- Lack of synergies between municipal officials and informal traders;

11.4.4.1 Strategic Programmes

Some of the challenges listed above are infrastructure / institutional related and cut across all other sectors. These challenges will therefore be addressed in the infrastructure / institutional sections which will follow later in the report. However, following are some of the interventions that are specifically suggested for the SMME / Informal Sector:

- 1) Provision of SMME / Informal Traders Infrastructure
- 2) Facilitation of Business Support
- 3) Business Retention and Expansion
- 4) Enhance Local Procurement

These are illustrated in the following section.

11.4.4.1.1 Strategic Programme 1: Provision of SMME / Informal Traders Infrastructure

SMMEs / Informal Traders are important players in the economy on Nquthu. Currently, operational space for the SMME / Informal Traders is limited. The municipality is however busy in the process of establishing street trading infrastructure. The process should however be hastened to allow for more space for the sector. The provision of traders' infrastructure will be beneficial to the municipality as it will increase its revenue base and also beautify the municipality as traders will be working on demarcated areas. The following are important traders' infrastructure facilities that should be initiated:

- 1) Construct trading stalls / kiosks on demarcated sites;

- 2) Build informal traders market;
- 3) Construct ablution facilities on all informal / SMME Markets

11.4.4.1.2 Strategic Programme 2: Facilitation of Business Support

The National Policy provides clear guidelines on how the SMME should be supported. To ensure that support programmes are implemented, the government through Department of Trade and Industry established the Small Enterprise Development Agency (SEDA). To grow the SMME / Informal Sector, the municipality should ensure that the businesses receive support (technical, financial, etc.). The municipality should facilitate the following:

- 1) Improve access to information, technical support and referral system;
- 2) Establish an automated SMME database and notification system (use of cell phones and SMS facilities);
- 3) Establish a business incubation program based on an SMME hub concept in each of the major economic centres.

11.4.4.1.3 Strategic Programme 3: Business Retention and Expansion

Businesses are an important economic base to the municipality. They are a source of the municipal revenue collection and absorb majority of the municipal available labor force. Businesses that are already in operation in the municipal know the terrain of their business area. They are generally easy to offer support since they are clear with the challenges that they face. Unlike existing business, attracting new business in the municipal area is a daunting task and needs a lot of effort and financial resources. It needs abundant time to even realize their benefits.

The single most productive approach for the municipality to increase its economic base is to expand and retain the businesses it already has. Business development actions focusing on the retention of existing businesses tend to be less costly than the efforts to attract new businesses and often prove to be much more successful. Existing businesses tend to employ the locals. Profits made by the businesses and income attained by employees is spent in the local economy thereby promoting money circulation in the locality. A focus on retaining and expanding the existing business is therefore important. The municipality could address this by:

- 1) Developing a Business Development & Retention Strategy

11.4.4.1.4 Strategic Programme 4: Enhance Local Procurement

The national, provincial and local governments have actively engaged the SMME / Informal traders in the economy by offering them opportunities to provide goods and services to them. The municipality should continue promoting the local SMMEs by hiring them to deliver the core and non-core government services e.g. cleaning, paper and stationery supply, maintenance of public infrastructure, catering etc. services. This practice will give the SMMEs and emerging contractors in the municipal

area the opportunities to gain access to the mainstream procurement activities of the local government. This can be achieved by initiating the following projects / activities:

- 1) Review / develop procurement policy framework to make provision for the targeted procurement of certain goods and services from local SMMEs;
- 2) Encourage SMMEs that qualify to deliver goods / services to register in the municipal database

Table 23: SMME & Informal Economy Development Strategy & Strategic Programmes

Strategy	Strategic Programmes
4. SMME Development and Support to the Informal Economy	1) Provision of SMME / Informal Traders Infrastructure 2) Facilitation of Business Support 3) Business Retention and Expansion 4) Enhance Local Procurement

11.4.5 Strategy 5: Facilitate Investment Attraction to Nquthu

Nquthu boasts a collection of investment opportunities in the sectors namely agriculture, tourism and commercial. These investment prospects are capable of changing the economic landscape of Nquthu but there is need of serious commitment from the municipality to untangle the challenges that undermine the investment opportunities. The situational analysis identified the following as investment challenges:

- Road-surfacing and developments on the many routes in and around Nquthu Municipality;
- Agri-processing factory space, trading and business premises;
- Tourism infrastructure;
- Irrigation and other farming infrastructure;
- Energy infrastructure;
- Telecommunications (fixed line and cellular) infrastructure
- Water (bulk water services, connections and treatment works, as well as water reservoirs);
- Sanitation (reticulation);
- Housing (urban and rural settlements);
- Recreational and sports facilities

11.4.5.1 Strategic Programmes

It is apparent that most of the challenges identified above are infrastructure related. This report has a section that is dedicated on addressing the infrastructure challenges impacting on Nquthu.

11.4.5.1.1 Strategic Programme 1: Initiate Investment Attraction Programme

The investment opportunities identified in this report were based on desktop research and consultation with some stakeholders. There is however a need to undertake intensive investigation of all the opportunities identified in the report to develop a clear stock of potential projects that the

municipality can market to the potential investors. The municipality through the process should facilitate feasibility studies on all identified projects that will culminate to a strategy that gives a clear indication on the municipal investment prospects. In view of this therefore, it is important that the municipality undertake the following:

- 1) Develop and Investment Attraction Strategy;

Table 24: Investment Attraction Strategy and Strategic Programme

Strategy	Strategic Programmes
5. Facilitate Investment Attraction to Nquthu	1) Develop an Investment Attraction Strategy

11.4.6 Strategy 6: Promote Young Enterprise / Entrepreneurs

The suggested support interventions are aimed at promoting and developing youth-owned and managed enterprises which will be facilitated Nquthu Municipality and implemented or supported by relevant agencies.

11.4.6.1 Strategic Programmes

To promote young enterprise / entrepreneurs in Nquthu, the following programmes or intervention can be initiated:

- 1) Sector-Specific Youth Catalytic Projects;
- 2) Nquthu Youth Service programme;
- 3) Young person to work programme;
- 4) Youth Entrepreneurship Competition Awards

11.4.6.1.1 Sector Specific Catalytical Projects

The strategic aim of this intervention is to identify, plan and facilitate the creation of sector-specific youth catalytic projects with higher impact through leveraging on existing opportunities in the priority Sectors and Infrastructure Development Programmes of Government / municipality as expressed in the IPAP and the Regional Industrial Development Strategy (RIDS). The objective of this programme is:

- To package the existing business opportunities in the agriculture, tourism, commercial enterprise and informal / SMME sectors plans in order to make them easily available to the youth;
- To catalyse youth projects by leveraging pre-formation, formation and funding support resulting in the creation of operational and sustainable youth-owned enterprises in the respective sectors.

11.4.6.1.2 *Nquthu Youth Service programme*

To provide structured learning opportunities and work experience to young people, thereby ensuring their participation in the mainstream economy through service. The following objectives can be achieved by this programme:

- To engage young people in the delivery of services to communities to promote social cohesion;
- To inculcate in young people an understanding of their role in the promotion of civic awareness and national reconstruction;
- To inculcate a culture of service to communities;
- To develop the skills, knowledge and abilities of young people to enable them to make meaningful transition to adulthood;
- To improve youth employability through opportunities for skills development, work experience and support to gain access to economic and further learning opportunities.

11.4.6.1.3 *Take a young person to work programme*

This programme is designed to provide young persons who are at school studying Grade 11 and 12 with exposure in the Municipal or DTI working environment to the following themes: career choice, entrepreneurship, IPAP2 high-priority sectors, technology and critical skills shortages among other key areas of industry, SMMEs and the economy. The objectives of this programme will be:

- To influence young people to choose careers in the area of industrial and enterprise development;
- To market the Municipality and DTI and its services to young people.

11.4.6.1.4 *Youth Entrepreneurship Competition Awards*

This programme entails three giving awards to the youth namely **Entrepreneurial Bursary Award** which intends to grow the pool of young aspirant entrepreneurs for the next 10 years by awarding a minimum of 25% bursaries per year for the study of entrepreneurship, **Youth Enterprise Award** which entails awarding existing youth-owned enterprises that are medium to high performers by providing them with either funding or non-financial support to strengthen them further and ensure their sustainability and **Entrepreneurial Ambassador Award** which entails recognising individual young entrepreneurs who have demonstrated a high level of entrepreneurial acumen, are nominated by their peers for the award and recognised as a role model among young entrepreneurs, who could be used for the specific year as an ambassador to assist in promoting entrepreneurship among the youth.

Table 25: Young Enterprise / Entrepreneurs Strategy & Programmes

Strategy	Strategic Programmes
6. Promote Young Enterprise / Entrepreneurs	<ol style="list-style-type: none"> 1) Sector-Specific Youth Catalytic Projects; 2) Nquthu Youth Service programme; 3) Young person to work programme; 4) Youth Entrepreneurship Competition Awards

11.4.7 Strategy 7: Improve the Institutional Capacity LED Unit

Implementation of LED projects relies on the capacity and ability of the LED Unit. The unit has several projects that are under implementation. The current personnel is overwhelmed by work since sub units (e.g. business and agriculture) do not dedicated staff to oversee projects in those area.

11.4.7.1 Strategic Programme

The aforementioned challenges can be addressed by implementing the following initiatives / projects:

- 1) Restructuring LED Unit / Organogram;
- 2) Appointing Agriculture and Business / SMME Officer

11.4.7.1.1 Strategic Programme 1: Restructuring LED Unit / Organogram

The current LED Unit is equipped with staff that have the necessary skills / capacity to undertake their responsibilities effectively. Some of them are upgrading their skills as they are attending advanced educational programmes. As highlighted earlier, there are currently three (3) staff under the EDP Directorate namely the LED Manager, Tourism Practitioner and Project Officer. Other sectors under the LED Department such as the Business / Commercial and the Agriculture are not in existence or do not have dedicated staff to oversee their operations. To this end, this strategy is suggesting the inclusion of the following units / officers in the organogram:

1. LED Practitioner / Business;
2. Cultural / Heritage Practitioner.

The revised LED Department Institutional Arrangement should therefore be as follows:

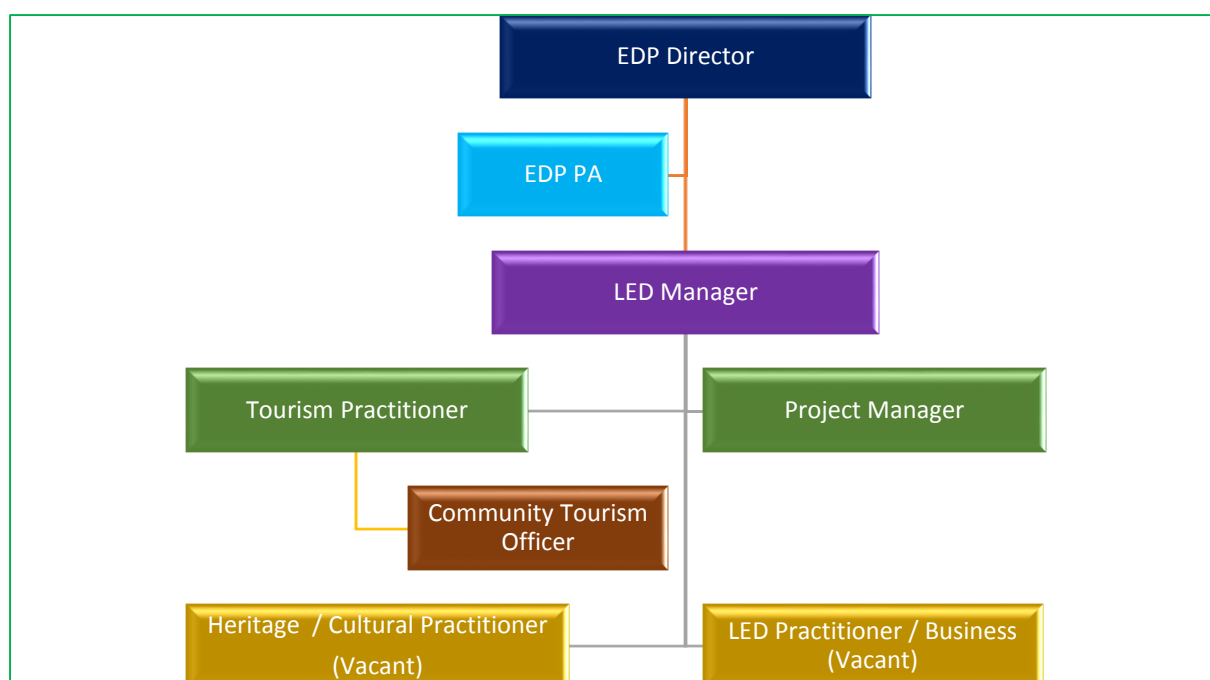


Figure 29: Suggested LED Organogram

The suggested organogram will however need approval from the council. It is therefore important that the suggested amendments in the organogram is presented to the council for approval and adoption. After this process, the municipality should then consider appointing appropriate staff to run the new offices.

Table 26: Institutional Capacity Strategy & Strategic Programme

Strategy	Strategic Programmes
7. Improve the Institutional Capacity LED Unit	1) Restructuring LED Unit / Organogram; 2) Appointing LED / Business Practitioner & Heritage / Cultural Practitioner

11.4.8 Strategy 8: Promote Education, Skills and Capacity Development

South Africa's unemployment figures and lack of skills has been linked to the inequality between its people. It is under this premise that the government is encouraging its stakeholders to assume skills development initiatives at grassroots level in order to see the fruition of Vision 2030. Like the national phenomenon, the municipality is facing a skills gap that is essential to economic growth and development. The situational analysis revealed that majority of the community lacks education and the necessary skills to attain sustainable employment. This challenge is undeniably a bottleneck to realizing meaningful economic growth and development and as such must be addressed. The following are suggested strategic programmes:

11.4.8.1 Strategic Programmes

To cover the foregoing skills gaps, three programmes are recommended as follows:

- 1) Skills training and development;
- 2) Development of relationships between industry and tertiary / training institutions;
- 3) Retention of skilled residents

11.4.8.1.1 Strategic Programme 1: Skills training and development

Without continued investment in skills development, there can be no sustainable employment. The role of on-going skills programmes therefore cannot be overemphasised. SEDA is currently active in the municipal area and it is encouraged that the municipality should strengthen the relationship with SEDA and other institutions that offer skills training. The municipality should encourage SEDA to move its services closer to the community by establishing a SEDA satellite office in the municipal area to provide programmes that focus on basic business skills on SMMEs as well as informal traders. Furthermore, trades (like hairdressers, carpenters, electricians, plumbers, etc.) should be promoted through linkages with the local Further Education Training (FET) College.

11.4.8.1.2 Strategic Programme 2: Facilitate relationships between industry and tertiary / training institutions

The development of business capacity and skills will only be effectively achieved through stakeholder engagement. Stakeholders such as SEDA, as well as tertiary institutions will need to be networked with both formal and informal businesses to ensure that programmes are aligned with industry demand. Future research is required, to investigate the need for additional higher education colleges and campuses in the municipal area.

11.4.8.1.3 Strategic Programme 3: Retention of skilled residents

Nquthu is struggling to retain skilled residents and this is negatively affecting the local economy. The situational analysis revealed that the municipality is experiencing an outward migration where some of these people are skilled. The situation creates a vacuum in the labor market where the municipality is left with unskilled population that cannot be absorbed to skilled / technical jobs thereby negatively impacting the local economic growth. A marketing and retention programme should be developed in conjunction with the business community that focusses on improving the quality of life that can lure skilled labor to live and work in Nquthu.

Table 27: Community Skills Development & Strategic Programmes

Strategy	Strategic Programmes
8. Promote Education, Skills and Capacity Development	1) Skills training and development; 2) Development of relationships between industry and tertiary / training institutions; 3) Retention of skilled residents

11.4.9 Strategy 9: Improve Local Economic Governance

The way the municipality handle its affairs towards the private and public spectrum is determinant to economic growth and development. If the municipality administer its business effectively and efficiently it build its image which is a critical step to investment attraction. This is to say that the municipality should be playing the leading role in its affairs by providing good governance, reliable and effective services and sound administration in line with local government legislation and policy so that the municipal area becomes an attractive investment hub.

11.4.9.1 Strategic Programmes

The Municipality recognises that it is a key player the economic growth and development and everything it does will impact directly or indirectly on the local economy. To ensure that the municipality attracts economic growth in its area of jurisdiction it is necessary to pursue the following projects / interventions:

- 1) Establish clear and well-supported forward planning development frameworks
- 2) Preparation of effective by-laws and other regulations that impacts on business performance
- 3) Preparation of settlement plans for the transformation of rural settlements into sustainable human settlements.
- 4) Review of supply chain management systems to provide for the procurement of some goods and services from local SMMEs and other small business.

11.4.9.1.1 Establish clear and well-supported forward planning development frameworks

The municipality should develop / review a collection of spatial planning and management policies clearly articulating the municipal spatial development vision, in respect of economic development initiatives that are suggested in this report. The policies should be aligned to the revised municipal SDF and harmonise the much needed land development framework.

11.4.9.1.2 Effective by-laws and other regulations that impact on business performance

By-laws are a set of regulations used by the municipality to give effect to its policies, including economic development policies. Although they are akin to legislation, they cannot be in conflict with provincial and national legislation. This programmes should consider reviewing the following to ensure that they are attractive to investors:

- 1) Property rates by-laws;
- 2) Trading by-laws
- 3) Informal Traders by-laws;
- 4) Credit control and debt management by-laws.

11.4.9.1.3 Preparation of settlement plans

There has been an outcry from stakeholders that land is hard to get and at times is being used for wrong purposes. To address this challenge settlement plans should be prepared with full involvement of local communities and traditional councils. They should be simple and easy to follow, and should provide guidance to traditional councils for the allocation of land for different uses. In particular, these plans should:

- 1) Categorise agricultural land including land suitable for grazing, crop production, and irrigated farming;
- 2) Confirm development nodes and provide guidance for the clustering of public facilities and services in each of these areas;
- 3) Ascertain infrastructure required to unlock development opportunities and potential in various nodes / areas;
- 4) Establish a framework for housing development and transformation of these areas into sustainable rural human settlements;
- 5) Identify poverty alleviation and rural development projects.

11.4.9.1.4 Review of Supply Chain Management Systems

The Municipality should review its SCM system as a means to promote Broad Based Black Economic Empowerment (BBBEE) and SMME development. The system should be reviewed in such a way that it gives preference to local businesses to provide goods and services to the municipality. By doing so the municipality will be growing its local businesses and curtail economic leakage.

Table 28: Local Economic Governance Strategy & Strategic Programmes

Strategy	Strategic Programmes
9. Improve Local Economic Governance	1) Forward planning development frameworks 2) Effective bylaws and other regulations that impacts on business performance; 3) Settlement plans; 4) Review of supply chain management systems;

11.4.10 Strategy 10: Improve Strategic Economic Infrastructure

Economic infrastructure is one of the key factors that influence economic development in the municipal area. The availability and condition of this infrastructure can encourage or discourage business growth and development. Investors are unlikely to establish business in areas that do not have good economic infrastructure. Economic development is likely to be experienced in areas where its infrastructure is well developed.

11.4.10.1 Strategic Programmes

The situational analysis identified the following key infrastructure issues that should be enhanced to enable the municipality attain economic development. Improvement of these economic infrastructure are expected to attract private sector investment in the area:

- 1) Water and sanitation;
- 2) Roads and transportation infrastructure;
- 3) Electricity;
- 4) Solid Waste Management;

11.4.10.1.1 Strategic Programme 1: Water and Sanitation

UMzinyathi DM is the Water Services Authority (WSA) for Nquthu Municipality. The District Municipality has prepared a 5 year Water Services Development Plan that is reviewed annually. The DM appointed uThukela Water as the Water Services Provider (WSP) supplying water to the municipal area. The 17 wards in the municipal area are serviced by UMzinyathi with water through UThukela Water. Various schemes have been initiated in almost all the wards. It is evident that water services are focused on meeting the needs of the community. The District also provides the area with

sanitation as the basic infrastructure. The area also has sanitation backlogs due to its disadvantaged terrain which makes it expensive to deliver the services to the community.

While this is critical, it is equally important to provide water and sanitation services to areas that can unlock economic development. In view of this therefore, the municipality should consider:

- 1) Developing irrigation infrastructure on potential agriculture land;
- 2) Elevate the sewer systems particularly in town and economic nodes to cope with an increase in demand and provide for future expansion and growth.

11.4.10.1.2 Strategic Programme 2: Provision of Roads and Transportation Infrastructure

Nquthu is strongly linked to the surrounding town of Dundee, Melmoth, Vryheid and Newcastle. The main roads that link Nquthu to other regions are R68 and R33. There are other new roads that are under construction that provide potential economic links. The town of Nquthu still has roads that are still gravelled. It is important that the municipality tar all linking roads in town and its economic nodes. Whilst, there are road projects that are under implementation, it is essential that the municipality consider the following:

- 1) Identify critical roads that require upgrading in view of their potential to unlock some economic development opportunities and improve economic linkages.

11.4.10.1.3 Strategic Programme 3: Electricity Provision

The municipality has a license to distribute electricity within the town (ward 14) but does not distribute or serve the whole ward. Eskom is assisting the municipality in portioning electricity in the municipal area. Whilst the municipality has three sub-stations (St James, St Benedict and Blood River) it is important that distribution of electricity should target areas with potential to economic growth and development. The following should also be considered in the short to medium term:

- 1) Provision / upgrade of electricity in all development nodes;
- 2) Provision of electricity in all areas that have been identified as potential for agri-processing, agriculture, tourism and potential commercial centres

11.4.10.1.4 Strategic Programme 4: Solid Waste Management

The Municipality does not its own landfill site and there are no formal waste sites within the municipality to effectively deal with the waste. The municipality is currently using Glencoe landfill site for its solid waste disposal. The situation poses a real health risk to the environment. Therefore, availability of landfill site is crucial to accommodate disposables that may come with enhanced economic growth and development. The municipality should consider the following:

- 1) Developing an Integrated Waste Management Plan (IWMP) that will provide guidance on waste management options, identifying environmentally friendly practices for re-cycling and land fill sites, identifying economic opportunities associated with recycling.

Table 29: Economic Infrastructure Strategy & Strategic Programmes

Strategy	Strategic Programmes
10. Improve Strategic Economic Infrastructure	1) Water and sanitation; 2) Roads and transportation infrastructure; 3) Electricity; 4) Solid Waste Management;

11.4.11 Strategy 11: Initiate Anchor Projects

As noted earlier in the report, KZN Top Business identified an array of projects that have the potential; to re-energize the economy of Nquthu. The municipality should initiate programmes that could realize these projects.

11.4.11.1 Strategic Programmes

The municipality is therefore urged to facilitate the development of feasibility studies or business plans for the following to determine their viability:

- Traditional Hub: Cultural Village, Arts and Craft Centre, Indlamu Academy, Exhibition Centre etc.;
- St Augustine Spring Water Project;
- Hotel Resort Project;
- Airstrip Development;
- Further Education & Training Centre;
- Stones Crushing Plants;

Table 30: Anchor Projects Strategy & Strategic Programmes

Strategy	Strategic Programmes
11. Initiate Anchor Projects	Undertake Business Plans / Feasibility Studies on the following: <ul style="list-style-type: none"> ▪ Traditional Hub: Cultural Village, Arts and Craft Centre, Indlamu Academy, Exhibition Centre etc.; ▪ St Augustine Spring Water Project; ▪ Hotel Resort Project; ▪ Airstrip Development; ▪ Further Education & Training Centre; ▪ Stones Crushing Plants;

12 SUMMARY OF STRATEGIES, STRATEGIC PROGRAMMES AND PROJECTS / ACTIVITIES

The challenges and opportunities identified in the prior sections have warranted the development of nine (9) strategies summarized as follows:

- 1) Strategy 1: Unleash and diversify the agriculture sector;
- 2) Strategy 2: Develop and support the tourism sector;
- 3) Strategy 3: Develop and support the commercial sector;
- 4) Strategy 4: SMME Development and support to the informal economy;
- 5) Strategy 5: Facilitate investment attraction to Nquthu;
- 6) Strategy 6: Promote young enterprise / entrepreneurs;
- 7) Strategy 7: Improve the institutional capacity;
- 8) Strategy 8: Improve strategic economic infrastructure;
- 9) Strategy 9: Promote education, skills and capacity development;
- 10) Strategy 10: Improve local economic governance
- 11) Strategy 11: Initiate anchor projects

These strategies are then unpacked into thirty five (40) strategic programmes that generated eighty eight (108) projects / activities as demonstrated in the following table.

Table 31: Summary of Strategies, Strategic Programmes and Projects / Activities

STRATEGY	STRATEGIC PROGRAMMES	PROJECTS / ACTIVITIES
AGRICULTURE		
1. Unleash and diversify Agriculture Sector	1.1. Promote other farming practices	1.1.1. Develop Agriculture Development Plan; 1.1.2. Undertake bioresearch study and mapping;
	1.2. Promote agro-processing	1.2.1. Undertake feasibility study;
	1.3. Improve water supply	1.3.1. Facilitate irrigation systems to strategic agriculture land; 1.3.2. Rehabilitate municipal water catchment areas; 1.3.3. Facilitate establishment of irrigation schemes
	1.4. Facilitate training / skills capacity to farmers	1.4.1. Facilitate training for farmers to participate in SEDA, DAEA or DEDT programmes; 1.4.2. Train farmers and cooperatives to operate their farming / agricultural activities as business;
	1.5. Facilitate establishment of farming facilities	1.5.1. Establish a sheep market & training facility; 1.5.2. Facilitate establishment of livestock and a fresh produce market; 1.5.3. Facilitate feasibility study for abattoir; 1.5.4. Facilitate fencing of grazing camps
	1.6. Strengthen farmers' association	1.6.1. Mobilize local farmers to strengthen the farmers' association; 1.6.2. Develop a formal platform for frequent engagement between Agricultural Association, municipal officials and other relevant stakeholders like the DAEA, AFASA and ADA; 1.6.3. Encourage farmers association to actively participate in IDP Rep Forum 1.6.4. Undertake agriculture awareness campaigns

STRATEGY	STRATEGIC PROGRAMMES	PROJECTS / ACTIVITIES
TOURISM		
2. Develop & Support the Tourism Sector	2.1. Undertake road names & improve tourism signage	2.1.1. Undertake road naming of municipal roads; 2.1.2. Improve tourism signage
	2.2. Improve road conditions to tourism products	2.2.1. Identify and improve all roads leading to tourism products
	2.3. Rehabilitate the Tourism Information Centre;	2.3.1. Renovate the Tourism Information Centre; 2.3.2. Equip the centre with the necessary information material
	2.4. Packaging of the Tourism Products;	2.4.1. Identify and package all municipal tourism products; 2.4.2. Integrate municipal tourism initiatives with Battlefield initiatives
	2.5. Marketing and Promotion;	2.5.1. Develop a tourism product webpage and incorporate information on travel routes and tourism destinations
	2.6. Promote Community Based Tourism;	2.6.1. Undertake community tourism awareness campaigns
	2.7. Increase LED Budget	2.7.1. Develop a multi-year budget linked to MTEF for an LED Program
	2.8. Develop a Tourism Strategy / Plan	2.8.1. Facilitate development of a Tourism Strategy / Plan
COMMERCIAL		
3. Develop and Support the Commercial Sector	3.1. Unlock land parcels for commercial development	3.1.1. Identify land with potential for commercial development; 3.1.2. Negotiate with land owners to transfer ownership to municipality or convince land owners to allow land to be invested
	3.2. Improve property rates	3.2.1. Review property rates policy
	3.3. Improve communication between investors and municipality	3.3.1. Develop communication plan / strategy to improve communication between municipality and investors
STRATEGY	STRATEGIC PROGRAMMES	PROJECTS / ACTIVITIES
SMME AND INFORMAL ECONOMY		
4. SMME Development and Support to the Informal Economy	4.1. Provision of SMME / Informal Traders Infrastructure	4.1.1. Facilitate construction of trading stalls / kiosks; 4.1.2. Facilitate construction of informal traders market;

		4.1.3. Facilitate construction of ablution facilities on all informal traders markets/stalls; 4.1.4. Facilitate development of SMME trading centres in rural nodes; 4.1.5. Facilitate development of light and service industrial parks on municipal land; 4.1.6. Facilitate finalization of Thusong Centre Agreements (Jama & Molefe)
	4.2. Facilitation of Business Support	4.2.1. Establish a business incubation program based on an SMME hub concept in each of the major economic centres; 4.2.2. Introduce an electronic SMME opportunity advisory system; 4.2.3. Develop and maintain an SMME database; 4.2.4. Review street trading bylaws
	4.3. Business Retention and Expansion	4.3.1. Facilitate development of a Business Development & Retention Strategy
	4.4. Enhance Local Procurement	4.4.1. Review / develop procurement policy framework to make provision for the targeted procurement of certain goods and services from local SMMEs; 4.4.2. Encourage SMMEs that qualify to deliver goods / services to register in the municipal database; 4.4.3. Identify and ring-fence specified contracts for local SMMEs
STRATEGY	STRATEGIC PROGRAMMES	PROJECTS / ACTIVITIES
INVESTMENT ATTRACTION		
5. Facilitate Investment Attraction to Nquthu	5.1. Develop an Investment Attraction Strategy	5.1.1. Facilitate development of an Investment Attraction Strategy
YOUNG ENTERPRISE / ENTREPRENEURS		
6. Promote Young Enterprise / Entrepreneurs	6.1. Sector-Specific Youth Catalytic Projects	6.1.1. Package the existing business opportunities; 6.1.2. Leveraging pre-formation, formation and funding support; 6.1.3. Develop Youth Database.
	6.2. Nquthu Youth Service Programme	6.2.1. Engage young people in the delivery of services to communities; 6.2.2. Inculcate in young people an understanding of their role;

		6.2.3. Inculcate a culture of service to communities; 6.2.4. Develop the skills, knowledge and abilities of young people; 6.2.5. Improve youth employability through opportunities for skills development, work experience and support 6.2.6. Develop Youth Development Strategy
	6.3. Young person to work programme	6.3.1. Influence young people to choose careers in the area of industrial and enterprise development 6.3.2. Market the Municipality and DTI and its services to young people 6.3.3. Develop Job Creation Strategy
	6.4. Youth Entrepreneurship Competition Awards	6.4.1. Initiate Entrepreneurial Bursary Award; 6.4.2. Initiate Youth Enterprise Award; 6.4.3. Initiate Entrepreneurial Ambassador Award
STRATEGY	STRATEGIC PROGRAMMES	PROJECTS / ACTIVITIES
LED UNIT INSTITUTIONAL CAPACITY		
7. Improve the Institutional Capacity of the LED Unit	6.1. Restructuring LED Unit / Organogram;	6.1.1. Review LED Organogram
	6.2. Appointing LED Practitioner / Business and Cultural / Heritage Practitioner	6.1.2. Facilitate recruitment of LED Practitioner / Business and Cultural / Heritage Practitioner
SKILLS AND CAPACITY BUILDING		
8. Promote Education, Skills and Capacity Development	7.1. Skills training and capacity development	7.1.1. Facilitate training for farmers, SMME and informal businesses (SEDA or DEDT programme); 7.1.2. Facilitate the establishment of small business incubator / satellite (for SMMEs and cooperatives skills development); 7.1.3. Promote trades (like hairdressers, carpenters, electricians, plumbers, etc.) as employment opportunities to young people; 7.1.4. Provide an on-going accredited LED training for the LED portfolio councillors; 7.1.5. Workshop senior and middle management on the mainstreaming of LED in the municipal service delivery program;

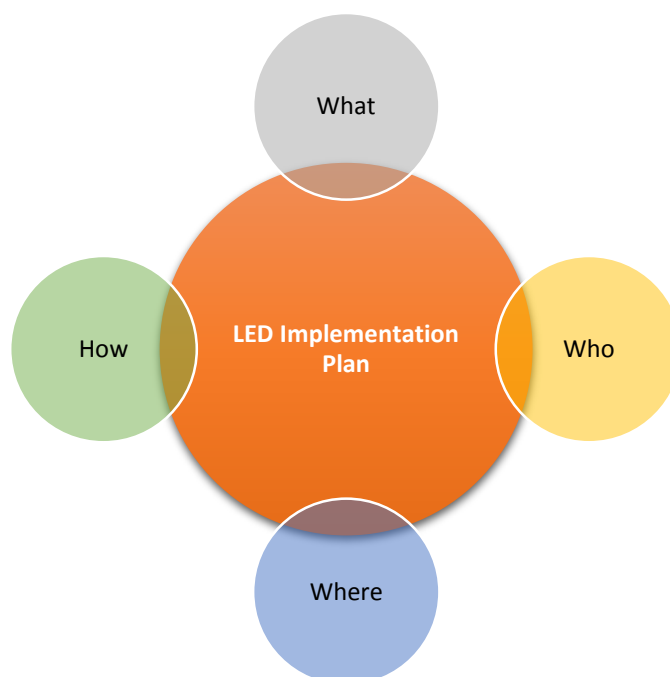
		7.1.6. Facilitate on-going staff training and skills development
	7.2. Development of relationships between industry and tertiary / training institutions	7.2.1. Establish a platform for engagement between training / tertiary institutions and business to ensure programmes are aligned with industry demand
	7.3. Retention of skilled residents	7.3.1. Develop a marketing and retention programme in conjunction with Business Organisations in order to retain skilled residents in Nquthu
STRATEGY	STRATEGIC PROGRAMMES	PROJECTS / ACTIVITIES
LED GOVERNANCE		
9. Improve Local Economic Governance	8.1. Forward planning development frameworks	8.1.1. Formulate development frameworks for development nodes identified in the SDF; 8.1.2. Facilitate the preparation of a rural development framework and the associated framework plans; 8.1.3. Identify and map unsettled land with good to high agriculture potential and impose restrictions; 8.1.4. Enforce the municipal town planning scheme; 8.1.5. Clamp down on unauthorized land uses; 8.1.6. Facilitate implementation of Urban Design Framework
	8.2. Effective bylaws and other regulations that impact on business performance	8.2.1. Develop Property Rates Policy / bylaws; 8.2.2. Develop Trading bylaws; 8.2.3. Review credit control and debt management by-laws
	8.3. Settlement Plans	8.3.1. Categorise agricultural land including land suitable for grazing, crop production, and irrigated farming; 8.3.2. Confirm development nodes and provide guidance for the clustering of public facilities and services in each of these areas; 8.3.3. Ascertain infrastructure required to unlock development opportunities and potential in various nodes / areas; 8.3.4. Establish a framework for housing development and transformation of these areas into sustainable rural human settlements; 8.3.5. Identify poverty alleviation and rural development projects;

		<p>8.3.6. Facilitate an agreement with the traditional councils on planning & development of human settlements;</p> <p>8.3.7. Facilitate preparation of settlement plans for each rural settlement in association with traditional councils</p>
	8.4. Review of supply chain management systems	<p>8.4.1. Facilitate review of SCM Systems to give preference to local procurement of municipal goods and services;</p> <p>8.4.2. Develop and maintain a database of all local emerging construction companies;</p> <p>8.4.3. Break down certain portion of capital contract into smaller scale to support small scale contractors e.g.</p> <ul style="list-style-type: none"> • Construction • Other construction (head walls, installation of road signs, gabions, guard rails, course ways, pedestrian pavements, etc. • Building (plastering, plumbing, painting, electrification, other small jobs)
STRATEGY	STRATEGIC PROGRAMMES	PROJECTS / ACTIVITIES
STRATEGIC ECONOMIC INFRASTRUCTURE		
10. Improve Strategic Economic Infrastructure	9.1. Water and sanitation	<p>9.1.1. Facilitate provision of water to areas earmarked for economic development (e.g. commercial, agro-processing industry, market, etc.);</p> <p>9.1.2. Elevate the sewer systems particularly in town and economic nodes to cope with an increase in demand and provide for future expansion and growth;</p> <p>9.1.3. Develop irrigation infrastructure on potential agriculture land;</p> <p>9.1.4. Establish and maintain a storm water management system</p>
	9.2. Roads and transportation infrastructure	<p>9.2.1. Identify critical roads that require upgrading in view of their potential to unlock some economic development opportunities and improve economic linkages;</p> <p>9.2.2. Engage the DOT/Transport Forum to prioritize development of roads with potential to unlock economic development potential;</p>

		9.2.3. Facilitate formulation of a roads and public transport master plan for the municipality; 9.2.4. Facilitate fencing of the taxi rank at Nquthu Town; 9.2.5. Participate in the Rural Road Transport Forum; 9.2.6. Facilitate upgrading of CBD road infrastructure; 9.2.7. Facilitate continuous maintenance of municipal plant & equipment
	9.3. Electricity	9.3.1. Assist ESKOM with the identification and prioritization of electrification projects; 9.3.2. Engage ESKOM about the provision of electricity in all areas that have been earmarked for agri-processing, agriculture, tourism and potential commercial centres; 9.3.3. Provide / upgrade of electricity in all development nodes; 9.3.4. Develop an Electricity Master Plan for the municipality
	9.4. Solid Waste Management	9.4.1. Improve refuse removal services in the CBD and other municipal economic nodes; 9.4.2. Facilitate development of an Integrated Waste Management Plan (IWMP)
STRATEGY	STRATEGIC PROGRAMMES	PROJECTS / ACTIVITIES
ANCHOR PROJECTS		
11. Initiate development of Anchor Projects	9.2. Undertake feasibility studies on potential anchor projects	Undertake feasibility studies on: 9.2.1. Traditional Hub 9.2.2. St Augustine Spring Water Project; 9.2.3. Hotel Resort Project; 9.2.4. Airstrip Development; 9.2.5. Further Education & Training Centre; 9.2.6. Stone crushing plant

13 IMPLEMENTATION PLAN

Implementation is defined as a specified set of activities designed to put into practice an activity or program of known dimensions. The Implementation Framework helps define WHAT needs to be done (effective interventions), HOW to establish what needs to be done in practice and WHO will do the work to accomplish positive outcomes in typical human service settings (effective implementation), and WHERE effective interventions and effective implementation will thrive. This phenomena is demonstrated by the following figure.



This section of the report therefore suggests a set of activities / action plan that must be undertaken to actualize economic growth and development in the municipal area of Nquthu.

The activities in the implementation plan must be acted upon. Of importance to this process is the restructuring of the LED Unit within the municipality that will drive the projects and programmes identified in the plan. As earlier indicated, the unit experience capacity constraints to implement LED projects. The central function of the LED unit in the municipality is to facilitate economic opportunities by bringing together the private and public sector role players. The LED Unit should identify economic opportunities, identify potential entrepreneurs that can realize the opportunities and then ensure that the necessary public sector infrastructure and services are available to support the businesses in their endeavours. The current LED personnel is overstretched and may hinder project implementation. In order to fulfil its task successfully, the municipality requires:

- Suitably qualified and experienced LED personnel that are able to drive the facilitation task;
- An adequate number of personnel; and
- The necessary office and communication mechanism that enables the personnel to fulfil their tasks

It is after the re-organization of the LED Unit that the municipality will have the required manpower to drive the implementation of the programmes and projects that are suggested in the table that follows.

Table 32: Implementation Plan

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
RESTRUCTURE THE LED UNIT					
Review Organogram of LED Unit	<ul style="list-style-type: none"> Develop a revised LED Unit Organogram that includes the position of LED Practitioner / Business and Cultural / Heritage Practitioner Present the proposed organogram to Council for approval & adoption 	Municipal LED Unit & Corporative Department	Nquthu LM	No budget implications	1 year
Appoint LED Practitioner / Business and Cultural / Heritage Practitioner	<ul style="list-style-type: none"> Prepare terms of reference; Advertise positions in the newspapers; Interview prospective officers; Appoint appropriate officers; 	Municipal LED Unit & Corporative Department	Nquthu LM	To be determined	1 year
UNLEASH AND DIVERSIFY AGRICULTURE SECTOR					
Facilitate irrigation systems to strategic agriculture land	<ul style="list-style-type: none"> Identify all potential agriculture land; Liaise with relevant stakeholders to facilitate installation of irrigations systems to the identified land parcels 	Municipal LED Unit	DAEA, DRDLR, LIMA	To be determined	3 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
Rehabilitate municipal water catchment areas	<ul style="list-style-type: none"> Identify, rehabilitate and manage all the municipal water catchment areas; Undertake environmental awareness campaigns 	Planning and LED Unit	DAEA	To be determined	All the time
Establish a sheep market & training facility	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to implement the project 	Municipal LED Unit & SCM	DAEA, DRDLR, LIMA & International funders	R2, 000, 000	3 years
Facilitate establishment of livestock and a fresh produce market	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to undertake feasibility study & business plans 	Municipal LED Unit	DAEA, DRDLR, LIMA & COGTA	R350, 000	2 years
Facilitate feasibility study for abattoir	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to undertake feasibility study & business plans 	Municipal LED Unit & SCM	UDM, DAEA, DRDLR, LIMA & COGTA	R350, 000	2 years
Facilitate fencing of grazing camps	<ul style="list-style-type: none"> Prepare business plans; Present / submit plans to DAEA, DRDLR & COGTA to secure funding 	Municipal LED Unit & Infrastructure Department	UDM, DAEA, DRDLR & COGTA	R200, 000	2 years
Mobilize local farmers to strengthen the farmers' association	<ul style="list-style-type: none"> Identify all farmers and register them with the farmers' association; Encourage the farmers to participate in the associations' meetings 	Municipal LED Unit	DAEA, DRDLR & UDM	In house	2 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
Develop a formal platform for frequent engagement between key stakeholders	<ul style="list-style-type: none"> Organize a meeting with Nquthu Agricultural Association, DAEA, AFASA, LIMA, DRD, DEDAT and ADA and discuss establishment of platform; Identify Agriculture/LED Projects that each partner is implementing in Nquthu; Deliberate on how / which partner should implement or deal with what / which projects; Set dates for meetings to update on progress made on projects 	Municipal LED Unit	DAEA, AFASA, LIMA, DRD, DEDAT and ADA	In house	2 years
Encourage farmers association to actively participate in IDP Rep Forum	<ul style="list-style-type: none"> Facilitate farmers meetings; Encourage them to actively participate in IDP Rep Forums 	Municipal LED Unit		No budget implications	All the time
Agricultural awareness campaign	<ul style="list-style-type: none"> Identify areas / wards where campaign should take place; Identify speakers / stakeholders that will participate in the campaign; Undertake campaigns on the identified areas; Compile list of people who are interested in farming; Populate the list in the uMzimbhulu Database of potential farmers 	Municipal LED Unit	DAEA, DRDLR, LIMA	R150,000	2-3 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
Undertake feasibility study for agro-processing plant	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to undertake feasibility study & business plans 	Municipal LED Unit & SCM	DAEA, DRDLR, UDM & COGTA	R300,000	2 years
Develop Agriculture Development Plan	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to prepare Agriculture Development Plan 	Municipal LED Unit & SCM	DAEA, DRDLR, UDM & COGTA	R600, 000	2 years
Undertake bioresearch study and mapping	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to prepare Agriculture Development Plan 	Municipal LED Unit & SCM	DAEA	To be determined	1 year
Total budget for agriculture projects				R3, 950, 000	
DEVELOP & SUPPORT THE TOURISM SECTOR					
Undertake road naming of municipal roads	<ul style="list-style-type: none"> Identify all roads without names; Provide names to the roads; Erect road name posts 	Municipal LED Unit	UDM, DOT & COGTA	To be determined	5 years
Improve tourism signage	<ul style="list-style-type: none"> Identify all tourism sites; Develop tourism signage; Erect the signage to appropriate sites 	Municipal LED, Infrastructure and planning Unit	DEDEAT, TKZN, UDM, DOT & COGTA	To be determined	5 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
Identify and improve all roads leading to tourism products	<ul style="list-style-type: none"> Identify all roads leading to tourism sites; Assess the conditions of those roads; Include those roads into the list of IDP projects 2015/16 	Municipal LED, Infrastructure and planning Unit		To be determined	5 years
Renovate the Tourism Information Centre	<ul style="list-style-type: none"> Renovate the Tourism Information Centre 	Municipal LED Unit	UDM & TKZN		1 year
Identify and package all municipal tourism products	<ul style="list-style-type: none"> Package all municipal tourism products and consolidate them in the tourism marketing material 	Municipal LED Unit	TKZN, DTI	No budget implications	1 year
Equip the centre with the necessary information material	<ul style="list-style-type: none"> Print brochures, leaflets and other marketing material with Nquthu tourism products; Equip the Tourism Information Centre 	Municipal LED Unit	TKZN, DTI	R50, 000	1 year
Integrate municipal tourism initiatives with Battlefield initiatives	<ul style="list-style-type: none"> Liaise with battlefields route custodians to discuss possibilities of integrating municipal tourism products into the route 	Municipal LED Unit	Battlefield custodians	No budget implications	1 year
Develop a tourism product webpage and incorporate information on travel	<ul style="list-style-type: none"> Develop a tourism product webpage 	Municipal LED Unit	TKZN, DTI	R200, 000	1 year

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
routes and tourism destinations					
Undertake community tourism awareness campaigns	<ul style="list-style-type: none"> Identify areas to target for the tourism awareness campaign; Identify speakers on the campaigns; Undertake the community tourism campaigns; Develop a database of interested members wishing to provide community tourism services 	Municipal LED Unit	TKZN, DTI, DEDEAT	-	2 years
Develop a multi-year budget linked to MTEF for an LED Program	<ul style="list-style-type: none"> Develop a multi-year budget for LED Programs 	Municipal LED Unit and Finance Unit		No budget implications	1 year
Facilitate development of a Tourism Strategy / Plan	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to prepare Tourism Strategy 	Municipal LED Unit & SCM	TKZN, DTI, DEDEAT, COGTA, UDM	R500, 000	1 year
Total budget for the development & support the tourism sector				R750,000	
DEVELOP AND SUPPORT THE COMMERCIAL SECTOR					

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
Identify land with potential for commercial development	<ul style="list-style-type: none"> Identify land with potential for commercial development; Negotiate with land owners to transfer ownership to municipality or convince land owners to allow land to be invested 	Municipal LED and Planning Units		-	2 years
Review property rates policy	<ul style="list-style-type: none"> Review property rates policy 	Municipal LED Unit		In-house	1 year
Develop communication plan / strategy to improve communication between municipality and investors	<ul style="list-style-type: none"> Develop communication plan / strategy 	Corporate Services Dept.		In-house	1 year
SMME DEVELOPMENT AND SUPPORT TO THE INFORMAL ECONOMY					
Provision of SMME / Informal Traders Infrastructure	<ul style="list-style-type: none"> Facilitate construction of trading stalls / kiosks; Facilitate construction of informal traders market; Facilitate construction of ablution facilities on all informal traders stalls; Facilitate development of SMME trading centres in rural nodes; 	LED Unit, Infrastructure Unit	DEDEAT, COGTA, UDM, DTI, Tribal Authority	To be determined	5 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
	<ul style="list-style-type: none"> Facilitate development of light and service industrial parks on municipal land; Facilitate finalization of Thusong Centre Agreements (Jama & Molefe) 				
Facilitation of Business Support	<ul style="list-style-type: none"> Establish a business incubation program based on an SMME hub concept in each of the major economic centres; Introduce an electronic SMME opportunity advisory system; Develop and maintain an SMME database; Review street trading bylaws 	Municipal LED Unit	DEDEAT, COGTA, UDM, SEDA	To be determined	3 years
Business Retention and Expansion	<ul style="list-style-type: none"> Facilitate development of a Business Development & Retention Strategy 	Municipal LED Unit , SCM	COGTA, UDM,	R200, 000	2 years
Enhance Local Procurement	<ul style="list-style-type: none"> Review / develop procurement policy framework to make provision for the targeted procurement of certain goods and services from local SMMEs; Encourage SMMEs that qualify to deliver goods / services to register in the municipal database; Identify and ring-fence specified contracts for local SMMEs 	Municipal LED Unit		-	1 year
INVESTMENT ATTRACTION					

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
Facilitate development of an Investment Attraction Strategy	<ul style="list-style-type: none"> ▪ Prepare TOR; ▪ Advertise for SP to tender; ▪ Appoint appropriate SP to prepare Investment Attraction Strategy 	Municipal LED Unit , SCM	COGTA, UDM, DEDEAT	R350, 000	1 year
PROMOTE YOUNG ENTERPRISE / ENTREPRENEURS					
Sector-Specific Youth Catalytic Projects	<ul style="list-style-type: none"> ▪ Package the existing business opportunities; ▪ Leveraging pre-formation, formation and funding support; ▪ Develop Youth Database; ▪ Develop Youth Development Strategy 	Municipal LED Unit	DTI, COGTA, UDM, DEDEAT	To be determined	2 years
Nquthu Youth Service Programme	<ul style="list-style-type: none"> ▪ Engage young people in the delivery of services to communities; ▪ Inculcate in young people an understanding of their role; ▪ Inculcate a culture of service to communities; ▪ Develop the skills, knowledge and abilities of young people; ▪ Improve youth employability through opportunities for skills development, work experience and support 	Municipal LED Unit	DTI, COGTA, UDM, DEDEAT	To be determined	5 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
Young person to work programme	<ul style="list-style-type: none"> ▪ Influence young people to choose careers in the area of industrial and enterprise development; ▪ Market the Municipality and DTI and its services to young people; ▪ Develop Job Creation Strategy 	Municipal LED Unit	DTI, COGTA, UDM, DEDEAT	To be determined	5 years
Youth Entrepreneurship Competition Awards	<ul style="list-style-type: none"> ▪ Initiate Entrepreneurial Bursary Award; ▪ Initiate Youth Enterprise Award; ▪ Initiate Entrepreneurial Ambassador Award 	Municipal LED Unit	DTI, COGTA, UDM, DEDEAT	To be determined	5 years
SKILLS AND CAPACITY BUILDING					
Skills training and capacity development	<ul style="list-style-type: none"> ▪ Facilitate training for farmers, SMME and informal businesses (SEDA or DEDEAT programme); ▪ Facilitate the establishment of small business incubator / satellite (for SMMEs and cooperatives skills development); ▪ Promote trades (like hairdressers, carpenters, electricians, plumbers, etc.) as employment opportunities to young people; ▪ Provide an on-going accredited LED training for the LED portfolio councillors; 	Municipal LED Unit	DTI/SEDA, DEDEAT	To be determined	3 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
	<ul style="list-style-type: none"> Workshop senior and middle management on the mainstreaming of LED in the municipal service delivery program; Facilitate on-going staff training and skills development 				
Establish a platform for engagement between training / tertiary institutions and business to ensure programmes are aligned with industry demand	<ul style="list-style-type: none"> Identify training / tertiary institutions to be engaged in the discussion; Identify business organizations to be engaged in the discussion; Contact the business and learning institutions to identify representatives who can participate in the discussion; Identify venue for the discussion; Invite the participants for the discussion; Compile a list of skills shortage that was presented by the business community; Facilitate the fulfilment of skills gaps by encouraging the community to pursue the identified qualifications that are in demand 	Municipal LED Unit & Corporate Services	Training Institutions	To be determined	3 years
Retention of skilled residents	<ul style="list-style-type: none"> Conduct a survey focusing on employed people to determine what will make them live and work in Nquthu; 	Municipal LED Unit	Local Businesses, COGTA	R300, 000	2 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
	<ul style="list-style-type: none"> Consider recommendations made in the survey; Facilitate programmes that will encourage inhabitants to live and work in Nquthu 				
IMPROVE LOCAL ECONOMIC GOVERNANCE					
Forward planning development frameworks	<ul style="list-style-type: none"> Formulate development frameworks for development nodes identified in the SDF; Facilitate the preparation of a rural development framework and the associated framework plans; Identify and map unsettled land with good to high agriculture potential and impose restrictions; Enforce the municipal town planning scheme; Clamp down on unauthorized land uses; Facilitate implementation of Urban Design Framework 	Municipal LED & Town Planning Unit, Technical Services	COGTA, DOT, UDM & Ingonyama Trust	To be determined	5 years
Effective bylaws and other regulations that impact on business performance	<ul style="list-style-type: none"> Develop Property Rates Policy / bylaws; Develop Trading bylaws; Review credit control and debt management by-laws 	Municipal LED Unit	DEDEAT	To be determined	2 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
Settlement Plans	<ul style="list-style-type: none"> ▪ Categorise agricultural land including land suitable for grazing, crop production, and irrigated farming; ▪ Confirm development nodes and provide guidance for the clustering of public facilities and services in each of these areas; ▪ Ascertain infrastructure required to unlock development opportunities and potential in various nodes / areas; ▪ Establish a framework for housing development and transformation of these areas into sustainable rural human settlements; ▪ Identify poverty alleviation and rural development projects; ▪ Facilitate an agreement with the traditional councils on planning & development of human settlements; ▪ Facilitate preparation of settlement plans for each rural settlement in association with traditional councils 	Municipal LED & Town Planning Unit, Technical Services		To be determined	5 years
Review of supply chain management systems	<ul style="list-style-type: none"> ▪ Facilitate review of SCM Systems to give preference to local procurement of municipal goods and services; 	SCM		No budget implications	3 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
	<ul style="list-style-type: none"> ▪ Break down certain portion of capital contract into smaller scale e.g.: <ul style="list-style-type: none"> - Construction; - Other construction (head walls, installation of road signs, gabions, guard rails, course ways, pedestrian pavements, etc. - Building (plastering, plumbing, painting, electrification, other small jobs) ▪ Insert a clause in the tender documents that Service providers must technically support small contractors that are involved with municipal capital projects 				
Develop and maintain a database of all local emerging construction companies	<ul style="list-style-type: none"> ▪ Develop database for local emerging construction companies 	SCM & LED Unit		To be determined	1 year
IMPROVE STRATEGIC ECONOMIC INFRASTRUCTURE					
Provision of water and sanitation	<ul style="list-style-type: none"> ▪ Facilitate provision of water to areas earmarked for economic development 	Municipal LED &	UDM, DWAF, DOT, COGTA, DAEA	To be determined	5 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
	(e.g. commercial, agro-processing industry, market, etc.); <ul style="list-style-type: none"> ▪ Elevate the sewer systems particularly in town and economic nodes to cope with an increase in demand and provide for future expansion and growth; ▪ Develop irrigation infrastructure on potential agriculture land; ▪ Establish and maintain a storm water management system 	Town Planning Unit, Technical Services			
Provision of roads and transportation infrastructure	<ul style="list-style-type: none"> ▪ Identify critical roads that require upgrading in view of their potential to unlock some economic development opportunities and improve economic linkages; ▪ Engage the DOT/Transport Forum to prioritize development of roads with potential to unlock economic development potential; ▪ Facilitate formulation of a roads and public transport master plan for the municipality; ▪ Facilitate fencing of the taxi rank at Nquthu Town; 	Municipal LED & Technical Services	DOT	To be determined	5 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
	<ul style="list-style-type: none"> Participate in the Rural Road Transport Forum; Facilitate upgrading of CBD road infrastructure; Facilitate continuous maintenance of municipal plant & equipment 				
Provision of electricity	<ul style="list-style-type: none"> Assist ESKOM with the identification and prioritization of electrification projects; Engage ESKOM about the provision of electricity in all areas that have been earmarked for agri-processing, agriculture, tourism and potential commercial centres; Provide / upgrade of electricity in all development nodes; Develop an Electricity Master Plan for the municipality 	Municipal LED & Technical Services	ESKOM, UDM	To be determined	5 years
Solid Waste Management	<ul style="list-style-type: none"> Improve refuse removal services in the CBD and other municipal economic nodes; Facilitate development of an Integrated Waste Management Plan (IWMP) 	Municipal LED & Technical Services	UDM	To be determined	5 years
INITIATE ANCHOR PROJECTS					

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
Traditional Hub	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to undertake feasibility study 	Municipal LED & SCM	UDM, COGTA & DEDEAT	R300, 000	2 years
St Augustine Spring Water Project;	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to undertake feasibility study 	Municipal LED & SCM	UDM, COGTA & DEDEAT	R300, 000	2 years
Hotel Resort Project;	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to prepare Investment Attraction Strategy 	Municipal LED & SCM	UDM, COGTA & DEDEAT	R400, 000	3 years
Airstrip Development;	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to prepare Investment Attraction Strategy 	Municipal LED & SCM	UDM, COGTA & DEDEAT	R500, 000	5 years
Further Education & Training Centre;	<ul style="list-style-type: none"> Prepare TOR; Advertise for SP to tender; Appoint appropriate SP to prepare Investment Attraction Strategy 	Municipal LED & SCM	UDM, COGTA & DEDEAT	R400, 000	3 years

PROGRAMME / PROJECT	ACTIVITIES	RESPONSIBILITY	FUNDING SOURCE / STRATEGIC PARTENERS	BUDGET	DURATION
Stones Crushing Plants;	<ul style="list-style-type: none"> ▪ Prepare TOR; ▪ Advertise for SP to tender; ▪ Appoint appropriate SP to prepare Investment Attraction Strategy 	Municipal LED & SCM	UDM, COGTA & DEDEAT	R200, 000	2 years

14 MONITORING AND EVALUATION FRAMEWORK

Monitoring and Evaluation is an embedded concept and constitutive part of every project or programme design (“must be”)¹⁴. The following monitoring and evaluation concept is not an imposed control measure but an ideal instrument that will assist the municipality monitor and evaluate the progress made between all stakeholders in the implementation of the aforementioned projects.

Monitoring of the projects provides the municipality with the following main benefits

- It enables the municipality to learn from experiences to improve practices and activities in the future;
- To have internal and external accountability of the resources used and the results obtained;
- To take informed decisions on the future of the initiative;
- To promote empowerment of beneficiaries of the initiative.

Whereas, evaluation assess completed project or programme (or a phase of an ongoing project or programme that has been completed) and helps the municipality to draw conclusions about the following main aspects of the intervention on the projects:

- Relevance
- Effectiveness
- Efficiency
- Impact
- Sustainability

For the municipality to realize economic growth and development, it is essential that the aforementioned projects and programmes are implemented. It is upon this backdrop that the municipality should utilize the following monitoring and evaluation plan to assess its successfulness in implementing the LED projects.



Figure 30: Monitoring & Evaluation Plan

¹⁴

[http://www.sportanddev.org/en/toolkit/monitoring___evaluation/what_is_monitoring___evaluation___m_e_/_/](http://www.sportanddev.org/en/toolkit/monitoring___evaluation/what_is_monitoring___evaluation___m_e_/)

Table 33: Monitoring and Evaluation Framework

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
RESTRUCTURE THE LED UNIT				
Review Organogram of LED Unit	<ul style="list-style-type: none"> Revised LED Unit organogram 	To restructure the LED Organogram within a year	<ul style="list-style-type: none"> Approved and adopted organogram 	The council accepts the LED Unit is understaffed and recruitment of new staffs in necessary
Appoint SMME Development Officer, Agriculture Officer & Heritage Practitioner	<ul style="list-style-type: none"> Appointed SMME Officer, Agriculture Officer & Heritage Practitioner 	Appoint the staff by 2015	<ul style="list-style-type: none"> Appointment letters Signed Contracts 	The council acknowledges the need of SMME & Agriculture Officers
UNLEASH AND DIVERSIFY AGRICULTURE SECTOR				
Facilitate irrigation systems to strategic agriculture land	<ul style="list-style-type: none"> Number of irrigation systems installed in agriculture land 	To be determined	<ul style="list-style-type: none"> Number of irrigation systems installed in agriculture land; Photos of irrigation systems implemented 	The council will mobilize its resources to facilitate irrigation in the agriculture land
Rehabilitate municipal water catchment areas	<ul style="list-style-type: none"> Improved waterflow in the rivers 	To improve all water catchment areas in the municipality	<ul style="list-style-type: none"> Rehabilitated water catchment areas; Photos of people working on rehabilitation programmes 	Council is willing to rehabilitate all water catchment areas in the municipality
Establish a sheep market & training facility	<ul style="list-style-type: none"> Sheep market 	To construct 1 sheep market by 2017	<ul style="list-style-type: none"> Completed and operating sheep market & training facility 	Facility will improve sheep farming that will grow the economy of Nquthu
Facilitate feasibility study for abattoir	<ul style="list-style-type: none"> Appointment of service provider to undertake the study 	Completed feasibility study	<ul style="list-style-type: none"> Abattoir Feasibility Study Report 	There is a need to establish an abattoir in the municipal area

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
Facilitate fencing of grazing camps				
Mobilize local farmers to strengthen the farmers' association	<ul style="list-style-type: none"> Number of meetings undertaken 	To have a strong farmers' association	<ul style="list-style-type: none"> Number of activities undertaken by the association 	The council will support the association
Develop a formal platform for frequent engagement between key stakeholders	<ul style="list-style-type: none"> Number of meetings undertaken 	Active agriculture platform	<ul style="list-style-type: none"> Attendance register; Photos of meetings 	The council wants to see active participation of agriculture stakeholders
Encourage farmers association to actively participate in IDP Rep Forum	<ul style="list-style-type: none"> Number of IDP Rep Forum meetings attended by farmers association 	Active participatuion of farmers association in IDP Rep Forum	<ul style="list-style-type: none"> Attendance register 	Council wants active participation of farmers association
Agricultural awareness campaign	<ul style="list-style-type: none"> Number of agricultural awareness campaigns undertaken 	1 awareness campaign per quarter	<ul style="list-style-type: none"> Awareness campaign Photos of awareness campaigns 	Council realizes the importance of agriculture sector
Undertake feasibility study for agro-processing plant	<ul style="list-style-type: none"> Completed feasibility study 	To complete the study by 2015	<ul style="list-style-type: none"> Final Feasibility Study on Agro-processing Plan 	The council is interested in establishing an agro-processing plant in Nquthu
Develop Agriculture Development Plan	<ul style="list-style-type: none"> Completed agriculture development plan report 	To complete the study by 2015	<ul style="list-style-type: none"> Approved & Adopted Final Agriculture Development Plan Report 	The council has the desire to improve the agriculture sector
Undertake bioresearch study & mapping	<ul style="list-style-type: none"> Completed bioresearch study report & maps 	To complete the study by 2015	Approved and adopted Final Bioresearch Study Report & Paps	There is a need to understand the land condition of Nquthu to

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
				make informed decision in promoting agriculture
DEVELOP & SUPPORT THE TOURISM SECTOR				
Undertake road naming on strategic municipal roads	<ul style="list-style-type: none"> Number of roads named 	Installing road names in all strategic roads	<ul style="list-style-type: none"> Number of roads named 	Council will support the road naming initiative
Improve tourism signage	<ul style="list-style-type: none"> Existence of tourism signage 	All tourism sites in Nquthu to have directional signage	<ul style="list-style-type: none"> Number of tourism signage erected 	Council is willing to support the growth of tourism sector
Identify and improve all roads leading to tourism products	<ul style="list-style-type: none"> Improved roads leading to tourism products 	Improve all roads leading to tourism products	<ul style="list-style-type: none"> Kms of roads leading to tourism products improved 	Council will consider the roads leading tourism products as priority roads
Renovate the Tourism Information Centre	<ul style="list-style-type: none"> Operational tourism information centre 	The tourism to be in full operation	<ul style="list-style-type: none"> Completed and operating tourism centre 	The tourism centre is still in a renovating condition
Identify and package all municipal tourism products	<ul style="list-style-type: none"> List of tourism products 	To package all tourism products in a brochure	<ul style="list-style-type: none"> Brochure with all municipal tourism products 	Council will support the packaging of tourism products
Equip the centre with the necessary information material	<ul style="list-style-type: none"> Number of information material printed and stored in the centre 	To store the centre with enough information material	<ul style="list-style-type: none"> Number of information material stored in the centre 	The information centre will be in operation
Integrate municipal tourism initiatives with Battlefield initiatives	<ul style="list-style-type: none"> List of tourism products; Record of meeting with custodians of battlefield routes 	Ensure the tourism products are incorporated in the battlefield route	<ul style="list-style-type: none"> Record of meeting with custodians of battlefield routes; Battlefield brochure with Nquthu tourism products 	The battlefield custodians will accept to integrate the Nquthu products into their route

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
Develop a tourism product webpage and incorporate information on travel routes and tourism destinations	<ul style="list-style-type: none"> Municipal tourism webpage 	To develop a tourism webpage by 2015	<ul style="list-style-type: none"> Functional webpage 	The webpage will create awareness of the tourism products in the municipal area
Undertake community tourism awareness campaigns	<ul style="list-style-type: none"> Number of tourism campaigns undertake 	To create awareness on the significance of community tourism	<ul style="list-style-type: none"> Number of campaigns undertaken; Number of people offering community tourism products 	The community will embrace community tourism services
Develop a multi-year budget linked to MTEF for an LED Program	<ul style="list-style-type: none"> Improved LED budget 	To increase the LED budget	<ul style="list-style-type: none"> Amount of budget dedicated on LED projects 	The council understands the significance of LED and will pursue consider this item in their development agendas
Facilitate development of a Tourism Strategy / Plan	<ul style="list-style-type: none"> Completed Tourism Strategy 	To develop a tourism strategy by 2015	<ul style="list-style-type: none"> Final Tourism Strategy Report approved by council 	The council will approve a budget to develop the tourism strategy
DEVELOP AND SUPPORT THE COMMERCIAL SECTOR				
Identify land with potential for commercial development	<ul style="list-style-type: none"> Amount of hectares of land identified and saved for commercial development 	Unlock land for commercial development	<ul style="list-style-type: none"> Amount of hectares released for commercial development 	Land owners will be ready and willing to release land for commercial development
Review property rates policy	<ul style="list-style-type: none"> Review property rates policy 	To review the property rates by 2015	<ul style="list-style-type: none"> Reviewed property rates policy / report approved by council 	The council will agree that the property rates need to be reviewed

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
Develop communication plan / strategy to improve communication between municipality and investors	<ul style="list-style-type: none"> Improved communication between municipality and investors 	To improve communication between municipality and investors	<ul style="list-style-type: none"> Final Communication Plan / Strategy approved by the council 	The council will engage the stakeholders when developing the plan
SMME DEVELOPMENT AND SUPPORT TO THE INFORMAL ECONOMY				
Provision of SMME / Informal Traders Infrastructure	<ul style="list-style-type: none"> Increased number of trading stalls / kiosks; Completed informal traders market; Existence of ablution facilities on all informal traders markets/stalls; Existence of SMME trading centres in rural nodes; Constructed light and service industrial parks on municipal land; of Thusong Centre Agreements (Jama & Molefe) 	<ul style="list-style-type: none"> To increase the number of trading stalls / kiosks by 40% in 2016; To complete construction of informal traders market by 2017; To build ablution facilities on all informal traders markets/stalls by 2017; To build SMME trading centres in all rural nodes; To construct light and service industrial parks on municipal land;\ To finalize Thusong Centre Agreements (Jama & Molefe) 	<ul style="list-style-type: none"> Completed and operating trading stalls / kiosks; Operating informal traders market; Operating ablution facilities on all informal traders markets/stalls; Completed and operational SMME trading centres in rural nodes; Operating light and service industrial parks on municipal land; Signed Thusong Centre Agreements (Jama & Molefe) 	The council will dedicate its effort to the development of the SMME facilities and that the facilities will enable full participation and growth of the informal economy
Facilitation of Business Support	<ul style="list-style-type: none"> Number of SMME enrolled in the business incubation program Existence of an electronic SMME advisory system in the LED Unit Number of SMMEs registered in the SMME database; Reviewed street trading bylaws 	<ul style="list-style-type: none"> To enroll 50% of SMME in the business incubation program; To install an electronic SMME advisory system in the LED Unit; To register 80% of the SMME/informal traders 	<ul style="list-style-type: none"> Register of SMMEs attending the business incubation program Installed and operational electronic SMME opportunity advisory system; SMME database; 	Support of business by council will improve growth of SMME and sustainability

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
		in the municipal database; ▪ To review the street trading bylaws by 2015	▪ Reviewed and approved street trading bylaws	
Business Retention and Expansion	▪ Increased number of local business	▪ To increase and expand the number of business in Nquthu	▪ Adopted Business Development & Retention Strategy	The council will support businesses to ensure that they are sustainable
Enhance Local Procurement	▪ Review / develop procurement policy	To give preference to local businesses on municipal procurement	▪ Reviewed procurement policy framework;	Local business have the ability to offer goods and services to the municipality
INVESTMENT ATTRACTION				
Facilitate development of an Investment Attraction Strategy	▪ Increase number of businesses in Nquthu	To attract major investors in Nquthu	▪ Number of new businesses established in Nquthu	All the essential services will be availed to attract investors
PROMOTE YOUNG ENTERPRISE / ENTREPRENEURS				
Sector-Specific Youth Catalytic Projects	▪ Increase number of youth-owned enterprises in the identified sectors ▪ Increase GDP contribution by youth-owned enterprises and employment creation ▪ Percentage increase on the contribution, by youth entrepreneurship to economic transformation	▪ To promote youth potential entrepreneurs by 2017 ▪ To increase number of youth-owned enterprises by 10% by 2017	▪ Number of youth-owned enterprises ▪ GDP contribution by youth-owned enterprise ▪ Approved Youth Development Database; ▪ Adopted Youth Development Strategy	Youth are willing and ready to be supported

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
Nquthu Youth Service Programme	<ul style="list-style-type: none"> ▪ Increase in the number of young people accessing learning opportunities ▪ Increase in the number of young people delivering services to communities 	<ul style="list-style-type: none"> ▪ To reduce number of unemployed youth ▪ Support out-of-school youth ▪ Reduce number of unemployed post matriculants and graduates 	<ul style="list-style-type: none"> ▪ Number of unemployed youth ▪ Number of out-of-school youth ▪ Number of unemployed post matriculants and graduates 	The youth will be willing and ready to participate in community programmes
Young person to work programme	<ul style="list-style-type: none"> ▪ An increased number of young people participating in the programme ▪ More young people empowered with knowledge and are clear on career choices 	<ul style="list-style-type: none"> ▪ Promote Grade 11 and 12 to identify careers 	<ul style="list-style-type: none"> ▪ Number of young people participating in the programme ▪ Number of young people empowered with knowledge and are clear on career choices; ▪ Adopted Job Creation Strategy 	Nquthu Municipality and DTI will have vacancies that can absorb the youth in the work place
Youth Entrepreneurship Competition Awards	<ul style="list-style-type: none"> ▪ Successful annual hosting of the municipal award event supported by all key stakeholders ▪ Increasing total entrepreneurial activities of young people covering all the sector categories, geographical spread, groups and gender 	<ul style="list-style-type: none"> ▪ Promote aspirant young entrepreneurs ▪ Promote youth-owned and managed enterprises ▪ Promote individual young entrepreneurs 	<ul style="list-style-type: none"> ▪ Number of aspirant young entrepreneurs ▪ Number of youth-owned and managed enterprises ▪ Number of individual young entrepreneurs 	The municipality and other stakeholders will support the award programme
SKILLS AND CAPACITY BUILDING				
Skills training and capacity development	<ul style="list-style-type: none"> ▪ Number of councilors receiving training; ▪ Accreditation of training sessions; ▪ Number and content of LED workshops with senior and middle management; 	<ul style="list-style-type: none"> ▪ Members of Portfolio Committee; ▪ Members of the Executive; ▪ LED Staff 	<ul style="list-style-type: none"> ▪ Attendance register; ▪ Training manual; ▪ Training certificates; ▪ Skills Development Plan 	The skills training will equip the participants with essential skills to effectively and efficiently implement the LED projects

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
	<ul style="list-style-type: none"> Staff skills training plan linked to human resource development strategy 			
Establish a platform for engagement between training / tertiary institutions and business to ensure programmes are aligned with industry demand	<ul style="list-style-type: none"> Attendance register; Signed agreement forms; Accreditation of training sessions; 	Tertiary institutions; Local FET Colleges; Local businesses	Training Certificates; Training manual	The platform will improve the skills gaps
Retention of skilled residents	<ul style="list-style-type: none"> Decline in outward migration of skilled labour 	Local skilled labour	<ul style="list-style-type: none"> Survey Report 	The council will improve the basic services that will improve the living condition of Nquthu
IMPROVE LOCAL ECONOMIC GOVERNANCE				
Forward planning development frameworks	<ul style="list-style-type: none"> Nodal frameworks; Rural development framework; Reduction on unauthorized land uses; Urban Design Framework 	Nodes as identified in the SDF; Unauthorized land use;	<ul style="list-style-type: none"> Council resolutions approving the Framework Plans. 	Forward planning is contributes considerably to the promotion of local economic development
Effective bylaws and other regulations that impact on business performance	<ul style="list-style-type: none"> Property Rates Policy / bylaws; Trading bylaws; Reviewed credit control and debt management by-laws 	bylaws and other regulations that impact on business performance	<ul style="list-style-type: none"> Adopted Property Rates Policy / bylaws; Adopted Trading bylaws; Reviewed and adopted credit control and debt management by-laws 	Reviewed bylaws will improve business performance

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
Settlement Plans	<ul style="list-style-type: none"> ▪ Mapped agricultural land including land suitable for grazing, crop production, and irrigated farming; ▪ Infrastructure required to unlock development opportunities and potential in various nodes / areas 	Settlements that have economic potential	<ul style="list-style-type: none"> ▪ Report on agricultural land suitable for grazing, crop production, and irrigated farming; ▪ Infrastructure Report 	Improve in settlements
Review of SCM Systems	<ul style="list-style-type: none"> ▪ Revised tender documents that incorporate new clauses ▪ Completed database of all local emerging construction companies 	<ul style="list-style-type: none"> ▪ To have a revised SCM System that supports emerging contractors; ▪ To skill and capacitate emerging contractors 	<ul style="list-style-type: none"> ▪ Revised Tender Documents; ▪ Local emerging contractors database 	Revised SCM will promote local entrepreneurs and improve the municipal economy
IMPROVE STRATEGIC ECONOMIC INFRASTRUCTURE				
Provision of water and sanitation	<ul style="list-style-type: none"> ▪ Number of LED projects linked to a water scheme; ▪ Number of irrigation schemes implemented; ▪ Quantity of water supply to industrial sites; ▪ Condition of water infrastructure; ▪ Number of sewer systems installed in town and economic nodes; ▪ storm water management system 	To have irrigation systems installed in 20% of potential agriculture projects by 2015	<ul style="list-style-type: none"> ▪ Installed irrigation systems; ▪ Water supply in industrial sites; ▪ Storm water systems 	Integration of LED objectives and outcome in water project will facilitate integrated development and unlock funding for LED.
Provision of roads and transportation infrastructure	<ul style="list-style-type: none"> ▪ Improved road network; ▪ Fencing of the taxi rank near the Nquthu Mall; ▪ Upgrade of CBD road infrastructure 	<ul style="list-style-type: none"> ▪ To fence the taxi rank by 2016; ▪ To tarmac all road network in the CBD 	<ul style="list-style-type: none"> ▪ Approved Roads and Public Transport Master Plan; ▪ Tarred roads in the CBD; ▪ Fenced taxi rank 	The DOT and council will improve the road network thereby improve the flow of goods and services in the municipality

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
Provision of electricity	<ul style="list-style-type: none"> Electricity Master Plan for the municipality; Capacity of electricity infrastructure to accommodate new developments. 	To develop a Master Plan by the end of 2015	<ul style="list-style-type: none"> Approved Master Plan by council 	Electricity plays an important role in unlocking economic development potential and opportunities
Solid Waste Management	<ul style="list-style-type: none"> Improved refuse removal services in the CBD and other municipal economic nodes; Development of an Integrated Waste Management Plan (IWMP) 	<ul style="list-style-type: none"> To improve refuse removal services To develop an Integrated Waste Management Plan (IWMP) for Nquthu 	<ul style="list-style-type: none"> Approved Integrated Waste Management Plan (IWMP) 	Provision of solid waste services will attract investors to invest in Nquthu
INITIATE ANCHOR PROJECTS				
Feasibility study for Traditional Hub	<ul style="list-style-type: none"> Improved the tourism sector; Number of entrepreneurs that will use the tourism facility 	<ul style="list-style-type: none"> To undertake a Traditional Hub feasibility study by 2016 	<ul style="list-style-type: none"> Approved Traditional Hub Feasibility Study Report 	The traditional hub will improve the tourism sector and the economy in general
Feasibility study for St Augustine Spring Water Project	<ul style="list-style-type: none"> Number of litres harvested in the spring 	<ul style="list-style-type: none"> To undertake a feasibility study for St Augustine Spring Water Project by 2016 	<ul style="list-style-type: none"> Approved St Augustine Spring Water Project Feasibility Study Report 	There is enough water at the spring that will facilitate growth in the economy of Nquthu
Feasibility study for the Hotel Resort Project	<ul style="list-style-type: none"> Increased number of visitors to Nquthu 	<ul style="list-style-type: none"> To undertake a Hotel Resort Hub feasibility study by 2017 	<ul style="list-style-type: none"> Approved Hotel Resort Feasibility Study Report 	The municipality will support the development of the resort
Feasibility study for Airstrip Development	<ul style="list-style-type: none"> Increased number of visitors to Nquthu 	<ul style="list-style-type: none"> To undertake Airstrip Development feasibility study by 2019 	<ul style="list-style-type: none"> Approved Airstrip Feasibility Study Report 	There is enough land and demand for an airstrip

KEY FOCUS AREA	PERFORMANCE INDICATORS	TARGET	MEANS OF VERIFICATION	ASSUMPTIONS
Feasibility study for Further Education & Training Centre	<ul style="list-style-type: none"> Increased number of people with higher learning qualifications 	<ul style="list-style-type: none"> To undertake a Further Education & Training Centre feasibility study by 2017 	<ul style="list-style-type: none"> Approved Further Education & Training Centre Feasibility Study Report 	An increase in the number of educated people in Nquthu population will improve the municipal economy
Feasibility study for Stones Crushing Plant	<ul style="list-style-type: none"> Increased number of people involved in stone crushing business 	<ul style="list-style-type: none"> To undertake a feasibility study for Stones Crushing Plant by 2016 	<ul style="list-style-type: none"> Approved Stones Crushing Plant Feasibility Study Report 	The rocks found in the municipal area can sustain the stone crushing business for a long term